# Daily Report

# East Europe

FBIS-EEU-91-067
Monday
8 April 1991

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*FBIS-EEU-91-067* *8 April 1991*

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## Communists Win Two-Thirds in Runoff Election

*AU0804070091 Paris AFP in English 0206 GMT 8 Apr 91*

[Text] Tirana, April 8 (AFP)—Albania's communists on Sunday won a two-thirds majority in a runoff election in which Prime Minister Fatos Nano avoided President Ramiz Alia's fate at the hands of Albania's electorate when he was elected to a parliament seat.

Mr. Nano, 39, is considered a reformist within the party. He will be one of the few top government leaders with a place in the 250-seat parliament. He was elected in Tirana, where Mr. Alia and several other senior leaders lost to the opposition Democratic Party in last Sunday's first round.

A total of seventeen seats were at stake in Sunday's election. One seat will be decided next Sunday because of irregularities in the voting last week. The communist Party of Labour won six seats, pushing them beyond the two-third majority with 168 seats, while the Democrats won 10, for a total of 75. A Greek ethnic party won the last seat, to a total of five. A tiny pro-communist party won one seat last Sunday.

In the central city of Berat, a Democratic Party leader, Abdi Baleta, won a seat in another closely watched race. Mr. Baleta is a former ambassador to the United Nations.

Democratic Party leader Sali Berisha accused the communists of vote-rigging, saying that soldiers who had cast their ballots in the district of Mr. Nano had been allowed to vote several times.

He added that Communist Party members in the northwestern town of Lezhe had opened a ballot box while a Democratic Party representative was absent, and that ballots had been altered in other areas.

Mr. Nano is expected to provide a counterpoint to those party leaders who did win seats last Sunday, most of whom are hardliners such as central committee secretary Xhelil Gjoni, Defense Minister Koco Mustaqi and former prime minister Adil Carcani.

## Alia Votes in Tirana Constituency

*AU0704185391 Tirana Domestic Service in Albanian 1800 GMT 7 Apr 91*

[Text] Comrade Ramiz Alia, first secretary of the Albanian Workers Party Central Committee and president of the Presidium of the People's Assembly, came to vote today at Polling Station No. 5 in Constituency 213 in the capital city.

Although more than 70 percent of electors had cast their votes in the early morning, people did not leave the area. Besides local residents, hundreds of other Tirana citizens gathered at the polling station. They gave Comrade Ramiz Alia an extremely warm welcome, with shouts of: "Long live Comrade Ramiz Alia"; "Party, Ramiz, unity does not budge." Comrade Ramiz Alia met and cordially greeted local residents, veterans, men and women, young people, and children. Comrade Ramiz Alia later met members of the electoral commission and representatives of political parties and electoral participants, and cast his vote. On emerging from the polling station, Comrade Ramiz was seen off by local residents with cheers and applause.

The voting today was also followed closely by foreign observers, representatives of political parties, and electoral participants.

## Communist Leaders in Shkoder Reportedly Dismissed

*AU0604205191 Paris AFP in English 2005 GMT 6 Apr 91*

[Text] Tirana, April 6 (AFP)—President Ramiz Alia has sacked Communist Party leaders in the northwestern town of Shkoder, where four people died when police fired on anti-communist protesters Tuesday, Albanian television said Saturday. It quoted Mr. Alia as saying the local leadership was sacked because of "the tragic events" and replaced with a temporary leadership.

Travellers returning from Shkoder said posters had gone up with pictures of the local officials marked "Sentenced to death." Protesters attacked the communist party [Albanian Workers Party] headquarters Tuesday after police fired into the crowd. One of the four people killed was a representative of Albania's main opposition party, the Democratic Party.

Meanwhile informed diplomatic sources here said almost 4,000 Albanians of Macedonian origin planned to cross illegally into Yugoslavia Sunday to celebrate the Greek Orthodox Easter with relatives there. Albanian authorities planned to prevent them crossing in the southern Prespa region, the sources said.

Three weeks ago border guards shot and seriously wounded four people when 1,200 ethnic Macedonians crossed the border near the northern town of Debar, the sources said. Macedonians form a community of 50,000 in Albania, according to Yugoslav estimates. They formed an organization, Prespa, to promote their cultural and national rights which was legalized last week, diplomatic sources said.

The Greek minority formed a similar group, Omonia, last month and it won three seats in parliament in the first round of Albania's first free elections of the postwar era March 31.

## Shkoder 'Quieter' Today; Investigation Begins

*AU0504190491 Tirana Domestic Service in Albanian 1600 GMT 5 Apr 91*

[Text] A Council of Ministers spokesman, bearing in mind the concern caused by the course of recent events in the city of Shkoder, has made contact with various

ministries, local state authorities, the investigator general, and the procurator general. He learned that a special group of investigators from the center and certain districts, under the control of the procurator general, has begun to investigate the events in the city of Shkoder on 2 April 1991 to fully explain the circumstances of the events and to determine the legal responsibility of those who caused them.

The Ministry of Internal Affairs has established that on this day there were illegal gatherings of citizens in the city, with shots fired by citizens and the forces of order, the use of explosives against public buildings, and persons killed and wounded among the assembled persons, policemen, and officials of the Albanian Workers Party [PPSh] District Committee, as well as the burning and virtual total destruction of this committee's premises and equipment. Between 2 and 4 April 1991, it was difficult for the investigative services to carry out their necessary duties because of the tense situation. Under the conditions of this situation, the persons assigned with the task were prevented from conducting general investigations of the facts relating to these events and from questioning various people, etc. For this reason, it has been impossible to question those injured parties or witnesses or to assemble other evidence as required by the law. Meanwhile, the PPSh District Committee building continued to burn until late in the evening of 4 April and was being damaged by groups of people who had seized it and were refusing to allow investigative groups to enter it.

Today, investigations began that will help to stabilize the situation and to reach a consensus on all sides for cooperation to this end. They will include discussions among participants and eyewitnesses of these events, members of the forces of order, the wounded, the families of the victims, and representatives of the district's political and social organizations.

Alongside this, the aim is to secure the necessary material evidence that will be submitted for examination by the competent services. Members of the group entrusted with this task will submit a final report on these matters, in cooperation with the state authorities, the forces of order, and representatives of all political parties and religious communities in the district, which will give the necessary help to enable the group to carry out its appointed tasks with responsibility and seriousness.

As we learned from the local state authorities, the situation in Shkoder is, in general, quieter today, and work in enterprises and institutions has resumed.

## Parties, Local Authorities Discuss Shkoder Events

*AU0704144091 Tirana Domestic Service in Albanian 1330 GMT 7 Apr 91*

[Text] A meeting of representatives of political parties, the Independent Trade Unions, the Ministry of Internal Affairs, the Forum for the Defense of Human Rights, and local state authorities took place yesterday at the Executive Committee of Shkoder District People's Council.

Executive Committee Chairman Terezina Marubi reported on the situation in the city of Shkoder, the resumption of work in some enterprises, and the situation in the countryside where cases of damage to crops have occurred in recent days, besides other incidents against the laws and regulations in force.

All those present observed that the commitment of the city's political forces in recent days has meant that there have been no distressing incidents, and that normal work has resumed in those enterprises with material resources.

Participants in the meeting insisted on an urgent explanation of the circumstances surrounding the killing of four people on 2 April. They were united in the view that the chronology of the events of 2 April did not correspond to the version given by the spokesman of the Ministry of Internal Affairs. They all committed themselves to helping the investigative services in shedding light on these circumstances and assessing the facts of the events according to their truth, regardless of party beliefs and attitudes. They also agreed to cooperate in preserving social peace and order, supporting the forces responsible for this task.

## Radio Denies Charges of Bias in Election Campaign

*AU0704141091 Tirana Domestic Service in Albanian 2000 GMT 6 Apr 91*

["Explanation by the General Directorate of Albanian Radio-Television"; place and date not given]

[Text] The 6 April issue of RILINDJA DEMOKRATIKE has published a statement harshly accusing Albanian Radio-Television of bias in reporting the electoral campaign and in its reporting of the recent events in the city of Shkoder.

Bearing in mind the status of the radio and television, we did consider it reasonable to enter into the polemics conducted by the political parties and their respective organizations during this period. Today, we explain again to the entire public the position of the radio and television and the truth about the accusations leveled against us.

1. The campaign for the pluralist elections of 31 March, as all political forces admit, was something new for Albanian Radio-Television. The program we assembled tried to approach international standards and practices as much as possible. The program was announced in advance and approved by a consensus of all political parties and other electoral participants. The suggestion that the program should be announced in the newspapers of the respective parties was not acted on; only ZERI I POPULLIT published it, and with some delay. We explain that Albanian Radio-Television punctiliously

and correctly carried out the program that everybody compiled. At the same time, it proposed on its own initiative a special supplementary program to publicize the candidates for deputies of all electoral participants, but this was not achieved because of lack of commitment on the part of electoral participants themselves. The planned debate among electoral participants was also not achieved, because of a failure to reach the necessary agreement among the electoral participants, although the radio and television were prepared to transmit this debate. Again on the initiative of the radio and television, an opportunity was offered for reports on the meetings of the 1,070 candidates with the electorate, and a consensus was reached among representatives of all political parties and electoral participants to report only the meetings of their leaders with the voters, placing 15-20 minutes at their disposal. Some parties availed themselves of this opportunity. The meeting of Comrade Ramiz Alia with voters was not broadcast in full by the Radio-Television, as is claimed. Only a 15-minute summary of a total of one hour and 20 minutes was broadcast. A similar amount of broadcasting time would also have been given to Dr. Sali Berisha, chairman of the Democratic Party's [PDSh] Managing Commission, if he had held meetings with voters. This was not achieved, of no fault of the radio and television but for reasons of which Dr. Sali Berisha and Arben Imami are aware and which could have been explained in advance by Prec Zogaj, the PDSh official responsible for the press.

3. [Number as heard] The reason representatives of the political parties did not appear on the screen the evening before last [4 April] was not to preserve peace and Albanian honor, as Prec Zogaj states. If he is not aware of the truth, it could have been explained to him by Dr. Gramoz Pashko, to whom our journalist (?Amali Zana) turned. Dr. Gramoz Pashko did not intend to appeal to people for calm and work, which conflicted with the general interest and the statements of all other parties and social organizations.

4. Albanian Radio-Television, like all press and media organs, has the task of reflecting not only the activities of political organizations, but also those of state leaders. The meetings of Premier Fatos Nano with working people and managers of sectors of the economy in various districts of the country were working meetings and not electoral meetings. The radio and television of all countries follow the important activities of their prime ministers.

5. In connection with the painful events of recent days in Shkoder, Prec Zogaj makes intentional and malevolent insinuations. For our part, we sent special camera teams to Shkoder on two consecutive days, although it was difficult for them to work because of the tense situation in the city and the obstacles placed in their path by various groups. Regardless of these difficulties and the well-known technical conditions, radio and television broadcasts carried full reports of the dramatic events in Shkoder.

6. The radio and television are in the service of the interests of the entire nation. This obliges them to portray reality, events, and different activities objectively, thus serving the general interests and not party interests. The parties have no reason to ascribe their success or failure in the 31 March elections to the radio and television. The radio and television will continue in the future to confine themselves to their now-confirmed status, in the service of the interests of the entire nation. The General Directorate of the Radio and Television, as it has said before, welcomes all consultation and sincere discussion with all political parties and other sociopolitical forces.

### Opposition on Communists, Intimidation in Election

*AU0604145191 Paris AFP in English 1105 GMT 6 Apr 91*

[Text] Tirana, April 6 (AFP)—Albania's communists are using intimidatory tactics against opposition candidates in second round run-off elections, the opposition Democratic Party charged Saturday.

A fire was started at the home of the chairman of a party section at Tirana, Qiriako Noti, late Friday, Democratic Party leader Sali Berisha said. There were several cases of attacks on officials and sympathisers around the country, he said. "The strategy of terror is continuing", Mr. Berisha said. "The situation has become explosive since the massacre at Shkoder".

Police opened fire in the northern town of Shkoder on Tuesday, when several thousand protestors attacked the Communist Party headquarters, left four people dead. A 14-year-old youth, Mikel Laro, has died of injuries received when beaten by police truncheons in Tirana on Tuesday, Mr. Berisha added. He also cited "Communist party fanatics" who, he said, assaulted the relatives of two party officials.

The second round of the poll, Albania's first free legislative elections since World War II, cannot affect the overall result. The ruling Labour (communist) Party won a two-thirds majority of the parliament's 250 seats in the first round last Sunday. Only 17 seats are being contested on Sunday, with interest focusing mainly on the results from Tirana, where Prime Minister Fatos Nano is favourably placed for the second round, and from the central constituency of Berat, where a former Albanian ambassador, Abdi Baleta, is standing for the opposition.

Tension has remained high in Albania despite the apparently clear-cut result of the election. The protests at Shkoder and in other towns followed the preponderant pro-Communist vote in the populous countryside which prevailed against the massive anti- Communist vote in the towns.

At Berat the ruling Labour (Communist) party was using "mafia-style tactics", Mr. Berisha said, accusing local communist officials of giving away lambs and cows as bribes to local farmers.

### Ecological Party Appeals For 'Social Tranquility'

*AU0604180091 Tirana ATA in English 1201 GMT 6 Apr 91*

[Text] Tirana, April 6 (ATA)—The Albanian Ecological Party launched on April 5 an appeal which stresses that it is for national unity and national conciliation. It says amongst other things that the Albanian Ecological Party appeals to maintain social tranquility and normal life of the people. We are sincerely sorry for the fact that even in these days following the election campaign, the inertia of passions has not ceased. We, as the Ecological Party, did not win any seat in the Parliament, but in spite of that, we feel morally victorious because democracy triumphed, and alongside it, we too, the opposition parties, as its offspring triumphed.

In this context, we judge that all the parties, of the opposition and that of labour, should be proud of having faced decently and with natonal responsibility the tense electoral period. For this reason, we appeal to all our opposition parties, to sincerely agree, in their activity, with the election results, because the people and country have to face more important problems in this period.

As Albanians, we are deeply sorry for the victims of the late events in Shkoder. We demand that they be never repeated in any other city. Albania needs not martyrs of democracy.

Further on the appeal says:

The Ecological Party appeals to all to observe the election results and to continue the struggle for democracy our people are waging through democratic ways and means with our estimeed president, Ramiz Alia, at the head.

Now we have a new pluralistic parliament. Let us continue our efforts for the further promotion of democracy and for well-being which the civilized world has longsince realised.

### Premier Nano on Economic Objectives

*AU0504143091 Tirana ATA in English 0953 GMT 5 Apr 91*

[Report on interview with Premier Fatos Nano by unidentified reporter; place and date not given: "Objectives for an Economic Renovation—From the Interview of Fatos Nano With the Reporter of the Turinese Newspaper "LA STAMPA"]

[Text] Tirana, April 5 (ATA)—Under the above title the newspaper "ZERI I POPULLIT" carries on April 4 the interview Comrade Fatos Nano with the reporter Tito Stanca, of the newspaper "LA STAMPA" of Turin. It says among other things:

We should bear in mind the difficult situation created from the economic point of view and the impatience for the results of the reforms. It appears that the legislative, economic, political reforms are not understood so well by all. So it happened that immediately a considerable number of people rushed to the port. This incident created an undesirable situation in the bilateral relations between Albania with Italy. But of importance is that there were no victims. I would add also something else. It appears that someone outside Albania, perhaps even outside the Balkans, wants to play with the peninsula. There is a scenario not yet clear, whose authors may be hidden in the Balkans, Europe, and even farther. We cannot exclude from this scenario also the disinformations, the appeals to overthrow the power made also from the self-styled king of Albania, Leka Zogu, an international trafficker of drugs, prostitution and arms. Someone might not like the positive democratic develoopments in Albania as well as the good relations between Albania and Italy. Naturally, our government not only is not interested in creating such situations, but it has made all efforts to develop democracy, friendship between Albania and Italy.

Further on, Fatos Nano said that the new political climate unknown before, has influenced in creating a more lively political life, but in some cases has made people neglect work. We will try to encourage a continuous work in agriculture, mining industry, export, import and elsewhere. We are receiving from abroad goods, especially food items, and raw materials. Many of them are obtained to create a continuity in the economic production. We have practically guaranteed the basic consumer goods.

Answering the question where do you see the changes in the economic programs of various political parties, he said that the only change is the time they define for the application of their programs and reforms. We, as the Party of Labour are not for hasty adventures. We envisage that before an inefficient enterprise closes down, we must offer the workers another job by all means.

The new government will be created by a pluralistic parliament and it is its duty to do this. I conceive the government made up of different political forces, with professional colleagues, who will agree to cooperate, despite the fact of being member of this or that party.

Regarding the relations between Italy and Albania, Fatos Nano said that both parties have trade interests. We have a complementary economy, geostrategic positions of interest for one another. I think that our market will be rather attractive for Italy, the European Community, Pentagonal projects, for the European unique market, and even farther, for the Islamic countries, etc. Albania

has rich all-sided underground resources, it has unexploited possibilities in tourism and other fields.

We already have the economic structure. We want to make an economic renovation, to prepare projects and start constructions within 2-3 years and we envisage an annual growth rate in economic development by 5-6 per cent, first of all in the industry of consumption, which has to do with the agricultural, food articles, textiles, electric household utensils, etc. Then energy industry, the completion of the cycles of raw material processing from our underground minerals, tourism, communication, construction, etc.

### Premier Nano on Council of Ministers Meeting

*AU0604165091 Tirana ATA in English 0935 GMT 6 Apr 91*

[Report on interview with Premier Fatos Nano by unidentified Romanian Television reporter on 6 April; place not given]

[Text] Tirana, April 6 (ATA)—On April 6, Premier Fatos Nano had an interview with the RTV [Romanian Television] regarding the meeting of the Council of Ministers, which, as is informed, examined on April 4 the economic situation in the country. He said among other things in the interview:

The economic situation is further deteriorated as a result of the people's negligence at work and the supplementary difficulties created from the continuous non-realisation of the tasks in various branches. Now the figures have been made public: We have a deficit balance of payments at home and in foreign trade. There are scores of thousand of workers paid without yielding the required production because of the lack of raw material or other shortages. There are scores of thousands of others who have no possibility to have a work place in the difficult conditions we are in. There exist also problems with the purchasing power being greater that the quantity of the goods in the market and services. In these conditions everyone should put the normal question: Which is the persepctive and what is the wayout of this situation? We have once more underlined that the only solution to overcome these difficulties is to help ourselves, because if this does not happen nobody will help you. As for the market supply now we may say that the necessary quantities of the supplies with the main goods of colonial and non-colonial character have been ensured. Improvements will gradually continue up to the end of the second quarter with the usage in production of various agricultural and livestock products due to the work of peasantry and supplying with the necessary material the light and food stuff industry.

Certainly a really big problem for many citiziens is the return to work of scores of thousand of workers who have lacked raw material in their enterprises. But there is one point to explain here. As a result of the deficits created, many enterprises demand immediate financing so that to employ the people. Some ways have been found, work is going on to realise them. I mean here the agreements of cooperation with various firms and especially with such neighbouring countries as Italy, Turkey and Greece.

In order to solve these problems and overcome the difficulties we are in, a three year cooperation program is conceived with neighbouring Italy, which has manifested a realistic will to cooperate with Albania in these important historic moments. It includes an agreement to the tune of about 150 million dollars for raw materials and other necessary materials for the production, and 750 million dollars will be financed on the construction of objects of a special economic importance, the realisation of technical renovation of the Albanian economy beginning with the infrastructures of the type of highways, extension of railways and their electrification, hydropower stations, plants for the production of mass consumer goods, children's food, electric household utensils, touristic hotels, etc. In this regard, during these days the final contacts are underway between the experts' groups and as both governments have agreed upon officially,by the beginning of may the Italian foreign minister is expected to come to Albania.

Alongside this, we have had intensive contacts also with international financial organisms. I mean not simply the coming of the important missions of the international monetary fund, but also other international bank organisms, which we have addressed to and are negotiating such as with the Bank of International Arrangements, the European Bank on Reconstructions and Development and soon we will establish relations also with financial organisms of the countries of the Moslem community, which have taken interest in our country and their rapprochement with our country and people is understandable.

The recent decrees of the government treat the promotion of the private activity, a cardinal question of the perspective of our economic development. Now we will pass onto a frontal practical realisation of the process of privatization, which will realistically make all the people aware of the need to take upon themselves the economic responsibilities. We are not and will not use the old working forms and fronts. But this cannot be done without creating new fronts and without opening new doors, where everybody exerts freely his initiative, trade, habits at work and start decent contracting relations with all the others, be they local producers or foreign ones. This is a sector which will offer numerous work fronts and the state will take upon itself the obligation that no one lacks, even temporarily, sufficient incomes not under the necessary living minimum, to ensure a living for himself and his family.

The possibility of employing our citizens abroad is real and concrete. The organism we have created has already its responsibilties in this field. We have contacted other states to ensure the necessary situation for bilateral agreements. As experts of this government, we are convinced that, within a short period of time, with the new

more modern work fronts to be created in many sectors, vaster work possibilities will be created for dozens of thousands of people in Albania and it is us who will make Albania prosperous with our toil, our hands, with our minds.

## Premier Nano Interviewed on Economic Reform

*AU0604195191 Tirana BASHKIMI in Albanian 28 Mar 91 p 1-2*

[Interview with Premier and Council of Ministers Chairman Fatos Nano by Astrit Karadaku; place and date not given: "An Economy Is Reformed By Building, Not Destroying"]

[Text] [Karadaku] Comrade Premier, BASHKIMI readers are interested in learning about the causes of the problems facing the country's economy and the way in which it can be reformed.

[Nano] We have had more than a few economic failures; however, I think they must be viewed in relation to the successes we have achieved and must preserve. If one puts the failures and successes on the scales, the scales will tilt toward the successes. Who can deny that socialism eliminated the exploitation of man by man and gave everybody a chance to live on the basis of his own contribution? Can we ignore the fact that this system eliminated illiteracy, gave a college education to one in 15 of our working people, and a secondary education to one-third of our workers and one-fourth of our cooperativists? I will not continue with other achievements, because the list would be endless. I admit once again that there have also been plenty of mistakes or failures. It is the government's commitment to distance itself from them politically, intellectually, and professionally, to recognize their causes, and not to repeat them.

This prompts the question of whether the failures are the products of the system or of our mistakes. If you judge in black and white and want to cause a sensation in the newspapers, you can say that the failures are a product of the system and that this system has failed. What is the model of the socialist system? There have been 100 models and variants of it so far. Theoreticians and economists have had their faults in practically implementing the socialist system, but it must be admitted that they themselves are a product of a form of training, a culture, a kind of material and psychological development, and a school through which we have passed. The truth is that the very concept of socialism must be reformed. In what sense? The socialist system was fundamentally born as a doctrine of the coexistence of the plan with the market. Socialism includes the market economy within itself. What model of such an economy? There is a variety of models of capitalism itself, about which all the country's political parties are debating. One talks of the Japanese model, the Anglo-Saxon model, "dragons," and "tigers." If we were to take an individual model and adapt it to our country, it could explode like a bomb in our hands. The model of the market economy to be applied in Albania must be in rapport and harmony with our psychology, culture, and material conditions. The economic model for our entry into Europe and for our reform must be one of construction not destruction, preserving the limb on which we are perched, not sawing it off and thus plunging us into the abyss.

[Karadaku] Is there any economic logic in supporting loss-making enterprises? What will be their destiny with the introduction of the market economy?

[Nano] We have a lot of enterprises that are losing money. Our people work in them. Economic logic demands closing some of them (but not all of them, because for one reason or another we will be obliged in the future to also tolerate some money-losing activities). Where will we put our people to work when losing enterprises are closed, however? Solving this economic, social, and psychological problem is one of the aspects of the economic reform that the government has undertaken. We must create new mechanisms of social assistance to give people the time and opportunity to train and be employed in other jobs. After six months, we can say to them that they are free to do anything, and to start a private business, but will also pay so much tax and so much rent, will buy imported materials with such and such a permit from the relevant organs, and buy foreign currency from the bank at such and such a rate.

[Karadaku] Perhaps the experience of the countries of Eastern Europe could clarify how this problem of ours could be solved. Perhaps you could give a concrete example of how we will behave in our country toward important but non-profitable enterprises.

[Nano] Let me cite Hungary as an example. Hungary set great store by privatization (not in the sense of the exploitation of man by man, but of the freedom to act with the economic responsibility that others demand today), and laid off 275,000 excess workers while modernizing enterprises in 1990. That is one side of the coin. What is the other? As privatization proceeded, 235,000 of these workers found jobs in the private sector. Thus, 40,000 were left without work. What are 40,000 for the 10 million-strong population of Hungary?

We have one disadvantage: We are entering the world market later than others, but we also have the advantage of being able to learn from the experience and mistakes of others. I have just mentioned the experience of Hungary. When I was in Hungary in January, the deputy prime minister who is mainly in charge of the reforms said to me: "We can share with you our experience, and can also tell you what we did wrong. In our first sprint, we destroyed everything that was collective. We destroyed profitable cooperatives and state farms. Now, part of the economic reform is to recreate those profitable cooperatives and farms!"

Let us now proceed to that concrete example you wanted about how we will behave in our country toward specific important but loss-making enterprises. The simplest but not entirely correct thing to do would be to close them

today. For example, the Elbasan Metallurgical Combine is a gigantic enterprise that is now incurring foreign currency losses. Shall we close it? More than 300 other enterprises are connected to it. Closing the combine means closing these enterprises. Renovating the combine's technology would require an investment of a further $100 million. Is it worth making this investment now? No. We will now make these investments in branches with a fast return, such as tourism, services, industries producing consumer goods, and agriculture. When we become better off, and fill our purses, we can stop the combine's production process and modernize it. We will in the meantime close down other loss-making enterprises, proceeding gradually. How? Before we close an enterprise we will say to its workers: "This door is closing, but that other door is opening. We will provide you with money for six months, one-half from the state, and one-half from the enterprise. You workers can also promise to enter that other door."

[Karadaku] The exodus, the movement for flight, is also causing us pain. As chairman of the Council of Ministers, what can you tell us about the causes of this exodus and the ways to stem it?

[Nano] The main factor has been the economic difficulties. In a difficult economic situation, it is very easy to manipulate people who are in a state of shock. An economic crisis is also a crisis of confidence. It is no coincidence that every tale that enters circulation and every rumor that is started is believed. Such an economic situation encourages unbalanced feelings, thinking, and behavior. So, how can the economy be cured, to stem such an exodus?

Albania is a small ship sailing in a rough sea. As a small ship, it may complete its crossing either easily or with difficulty. A large ship needs a supply of thousands of tonnes of fuel, but a small and carefully steered ship reaches port with a few liters. What is the right path? First, let us bring people back to work, using the methods I mentioned. Second, if we stabilize the political and social situation (we have signed contracts with banks, partners, neighboring states, and firms that are now blocked in the financial sense), we will be able to invest between $300 million and $400 million in each of the years of the forthcoming legislature, or twice as much as in any year in the last 10-year period. If we make these investments wisely, with new thinking, in sectors bringing a fast return and with the technology our labor will bring us, we will be able in the years to come to create a climate in which not only will Albanians not flee, but there will be a danger of a "flood" of others coming to work.

In the name of the nation, everyone's commitment must be to return to work. The ministries, the state authorities in the districts, and their apparatuses must all return to work. Only such a return will shake us all out of our torpor.

## Possibility of Convertible Lek Discussed

*AU0504164291 Tirana ZERI I POPULLIT in Albanian 23 Mar 91 p 2*

[Orfea Dhuci article: "Convertibility: A Possibility or an Illusion?"]

[Text] Our currency has not been convertible for almost half a century. This did not worry us in the least, for a long time, and it must even be admitted that it helped to protect and develop our economy. We have, however, in recent years begun to feel the need of a convertible currency. Is this possible?

### Exchange and Convertibility

The "exchange" of the lek now practiced is purely a technical exchange, within limits and for predetermined state purposes, mainly related to bookkeeping.

The convertibility of the currency is something entirely different. A currency becomes convertible when any individual or body in possession of it, whether a national of the country or a foreigner, may freely exchange it—on the basis of certain economic rates that stem from supply and demand, of course.

We have a high ambition: to move from the technical exchange of the lek to its full convertibility. Is this excessive? There are many countries of the world which, despite economies that are much more developed than ours, do not have a fully convertible currency, and impose a system of partial convertibility. In this case, convertibility is not total, but is restricted only to a certain number of people, to certain foreign operations, or to certain other currencies, etc. One system of partial convertibility is to restrict the currency's convertibility to current account transactions, and not to allow the currency's use for investments and other movements of international capital. Another form is internal convertibility, when the right of exchange is restricted to nationals of the country concerned. The first step to be achieved is to permit each individual or body within the country to exchange whatever quantity of our currency he may wish for other currencies.

There is another point. We are taking our first steps in economic reform, in order to move toward a market economy. World experience shows that different forms of partial convertibility can be achieved and applied at different stages of reform. Let us profit from this experience, if we wish to make our currency convertible.

### Monopoly, Convertibility, and a Triad

Convertibility is the extreme opposite of a state monopoly on foreign trade and foreign currency, and is a necessary concomitant of a market economy. A market economy implies that all economic bodies, regardless of forms of property, are entirely independent of the state, and operate while accepting the risk of bankruptcy. They make every decision about their work on the basis of the market. As said before, this can be ensured in the sphere of international

relations if a currency is freely convertible, otherwise all economic bodies are placed under the diktat either of the state or of bodies authorized by the state.

World experience suggests two approaches to lek convertibility, either at the start of the reform, or gradually in the course of it. I think that the first approach would be totally unacceptable for us, and not only for a range of technical and foreign currency reasons, but because of certain essential economic reasons. Immediate convertibility would be the worst form of discrimination that could be practiced against our country, involving the devastation of our national economy and the mass bankruptcy of many economic bodies, whatever their property status. It must at the same time be admitted that any excessive procrastination in solving the problem of convertibility would again entail many consequences for the economy. It would hamper the development of a market economy, the development of profitable sectors, the integration of our economy in the international market, and the state's intervention to economically regulate the volume of transactions with foreign countries through the exchange rate, etc.

Without denying the tie between the path toward a market economy and steps to introduce currency convertibility, it must be said that solving the latter problem is to a degree a separate matter. We must grasp this to accelerate a solution to this problem, but without impetuousness.

Convertibility demands three conditions, which might be called its triad. The basis on which it relies is a market economy within the country and its increasing integration in the world economy on the basis of competition (of course this demands that our prices should equal those on the world market). Real convertibility also demands balance and stability in internal production and exchange factors. It finally demands a decentralized foreign currency market and an appropriate foreign currency service from the banks.

Let us assume that the opposite is the case. Without guaranteeing any of the aforementioned conditions, let us announce tomorrow even the partial convertibility of the currency, even restricted to our nationals and solely for current account transactions (exports, imports, tourism, etc.) All those who wish to travel abroad (and they are of course many), all private entrepreneurs who want foreign equipment, and all enterprises that want to expand and renovate will ask for foreign currency. Where will they find it, however? Let us say that we ask for foreign credit (as has happened in the experience of the world). No doubt we will use this credit to buy consumer goods. That is our economic situation; therefore, let us not be impetuous but establish the triad of convertibility. This is the only safe approach for us.

### Step by Step

The starting point for work toward convertibility must be an improvement in legislation and economic practice, enabling every economic body and Albanian citizen to use not only foreign currency but leks for payments abroad, of course if the wish exists on both sides. At the same time, foreigners with leks at their disposal must enjoy the very same rights as our own nationals in investment, trade, and competition. A foreign clientele must therefore appear on the Albanian market with Albanian currency. Of course, this is very difficult in practice, because it demands monetary stability within the country, very high standards of quality for our production, and gold and foreign currency guarantees for our currency to the level accepted by the experience of the world. Can this step be hastened? I explained above that it cannot, if one uses one's head.

A further step must be the removal of the foreign currency monopoly and its replacement with the principle that "foreign currency belongs to whoever acquires it." According to this principle, anyone who earns foreign currency must unconditionally control it, and must enjoy the genuine right to use it as he wishes within the country or abroad, to deposit it in a bank either at home or abroad, and to sell it freely on a free market. Of course, various forms of partial convertibility can be introduced here, depending on the creation of market economy structures and the degree of protection given to the economy's old structures.

The final step is the creation of a genuine foreign currency market, in which all economic and noneconomic subjects, both Albanian and foreign, may participate. This step must be accompanied by the decentralization of the banks' foreign currency services, a service that is at present centralized in one bank (the Foreign Relations Bank). This step would give us the opportunity, which we must exploit in practice, to give our exchange rate the genuine characteristics of an indirect lever by which the state may regulate current account transactions and investments.

All this seems a difficult task. It is not accidental that I have so far not mentioned exports. Our present export volume and our earnings from current account transactions in general do not augur well for the convertibility of our currency. We must thoroughly realize this. We must give a great deal of stimulus to exports, to secure a foreign currency surplus to be used to guarantee our currency. For this purpose, we must use every economic mechanism and instrument, tax concessions for exporters, grants of low-interest credit, our present exchange rate, etc. However, our imports do not at present permit a foreign currency surplus. On the contrary, our imports oblige us to spend what foreign currency reserves we possess.

In short, illusions are not a way forward to convertibility, still less when some people want to achieve this within a short period. Achieving it will involve a great deal of work for us, and a relatively extended period of time.

## Current Political Scene, Elections Surveyed

*AU0704174791 Sofia BTA in English 1646 GMT 7 Apr 91*

[Text] Sofia, April 7 (BTA)—Observers said the first seven days of April were a passion week for Bulgarian political life as well.

During the week parliament adopted a decision on its further work but 44 opposition MP's said they would walk out if it failed to adopt the new constitution by the end of April. The conflict was caused by fears that the Bulgarian Socialist Party (BSP), which commands a majority in parliament, would be uncooperative when it came to changing the system. Shortly after the coalition government's 100 days in office, some of its members accused directors of enterprises of hindering the economic reform initiated by the government.

Mr. Filip Dimitrov, leader of the Union of Democratic Forces (SDS) and Mr. Dimitur Yonchev, BSP deputy leader, said on the national television that the first week of April was a watershed. Socialist Dimitur Yonchev believes that the parliamentary decision, under which the Grand National Assembly is preserved and general election are put off until later, marks the beginning of a "good phase." Mr. Yonchev said he is confident that the new constitution would be voted through by the required majority of two-thirds. Mr. Dimitrov said that the week was different from any other because the key problem was finally voiced: Is it possible that the MP's reach a consensus on the basic law.

Most SDS MP's, even those who did not join the walk-out would seek evidence of parliament's efficiency during the next couple of days when parliament would start debate on the Privatization Bill. Many MP's believe that the privatization, which is the most important stage of the economic reform, is unacceptable the BSP because it would diminish its influence. A case in point, they say, is the Land Act (restoring the right of ownership to former landowners), which was passed after much painful controversy and compromise. The MP's say Bulgaria is lagging behind the other East European countries because the Socialists (former Communists) hold a majority in parliament. Naturally, such a parliament would oppose the confiscation of the property of the Socialists Party which is the second largest owner after the state in Bulgaria.

SDS MP's said that the new general elections would not delay the economic reform as much as the BSP's policy of stalling. Most of the parties and organizations within the SDS insist on holding elections in June. The more hawkish SDS members recalled the compromises made by the SDS: the political agreement with the BSP, the participation of the SDS in the government, etc. Some believe those compromises were mistakes because as early as last November the correlation of the forces in parliament did not reflect the political realities in the country. Even then the SDS enjoyed greater support than the BSP.

There have been attempts at uniting all opposition forces. The Democratic Party, the Radical Democratic Party, the Liberal Democratic Party, the United Democratic Center, the Liberal Congress Party and the Union of Free Democrats fused into the Council of Neo-Liberal and Neo-Conservative Parties. These formations advocate a "strong opposition" on a consistent anti-communist basis. They want to counterbalance the strong leftist parties within the opposition.

The trade unions also expressed their readiness to influence the developments in the country in favor of the economic reform.

## SDS National Council Discusses Elections

*AU0504210091 Sofia DEMOKRATSIYA in Bulgarian 1 Apr 91 p 2*

[Silvia Stefanova report: "Legislative Elections in June?"]

[Text] The Bulgarian opposition is facing some crucially important decisions that will affect our country, Khristo Ivanov, deputy chairman of the Central Executive Committee of the Union of Democratic Forces' [SDS] National Consultative Council stated in speaking at the Council's third conference.

The conference was attended by representatives of over 130 SDS municipal and oblast coordinating councils, 125 of which do not approve of the activities of the Grand National Assembly, while 123 of them are in favor of holding legislative elections no later than mid-June 1991.

It appeared that the Democratic Party, the Radical Democratic Party, the Federation of Democracy Clubs, the United Democratic Center, the Alternative Socialist Party [ASO], the Democrtic Civil Initiative, the New Social Democratic Party, the Republican Party, the Club of Victims of Post-9 September 1944 Repression, and the Christian Democratic Front are in favor of holding legislative elections in June 1991. Lyuben Bozhilov, spokesman of the Nikola Petkov Bulgarian National Agrarian Union [BZNS], declared that his organization will not oppose the collective decisions of the SDS. Deputy Angel Akhryanov pointed out that the Bulgarian Social Democratic Party views the legislature's activities as unconstructive and pleads for accelerating the work on the constitution bill. He stressed his preference for electing an ordinary National Assembly in June 1991.

The opinions in support of holding new legislative elections in June 1991 were justified on the basis of the following arguments:

There is no country in the world where a communist government has ever changed the system (according to Georgi Markov). The Bulgarian Socialist Party [BSP] has an interest in postponing the legislative elections because it would gain time for the economic consolidation, which

would strengthen its political positions. The SDS-affiliated ministers are acting under the pressure of the legislature's inefficient work and of the still existing totalitarian structures (according to Petko Simeonov). According to economic experts from the Alternative Socialist Party, reform is impossible without mobilizing the country's total internal and external reserves, without confiscating the gigantic properties of the official institutions and the illegally acquired personal property of the party functionaries, and without exerting control over Bulgarian investments abroad (according to Professor Nikola Vasilev). The people will soon make a "hunger," rather than a "velvet" revolution (according to Khristo Apostolov).

Krasimir Kunev explained the Ecoglasnost viewpoint, insisting on postponing the elections on the grounds of a recent poll on the major political forces and claiming that the deputies of Andrey Lukanov's entourage are trying to dissolve the legislature under the pretext of internal conflicts with the SDS.

Despite the gloomy forecasts for the future, the national conference of representatives of the SDS municipal coordination councils, of the SDS legislative groups, and of the National Consultative Council adopted the following declaration:

1. Changing the political and economic system is the basic strategic goal of the SDS. The conference stated that the democratization processes in the country are greatly delayed. The delay is caused by the violation of the political agreement on the part of the BSP. The agreement is seriously jeopardized by the failure to observe the deadlines for holding new legislative elections in May 1991 and is in danger of totally failing.

2. The efforts of the government to implement the reform deserve wholehearted support. SDS representatives in the cabinet are urged to inform the public about the country's current economic situation as compared to the economic situation when the government started its work.

3. The conference considers the work of the legislature seriously impaired by the impossibility of creating a constructive atmosphere. As a result of the aforementioned circumstances the votes on a new, democratic constitution and on the basic laws required for a change of the system are unrealistic. Therefore, the conference considers it necessary to hold new legislative elections by mid-June 1991 at the latest.

4. The conference urges the SDS legislative groups, in accordance with the decisions of the party leaderships of affiliated organizations and in line with the SDS National Consultative Council, which is the supreme political body of the coalition, to adopt coordinated actions for the organization of legislative elections within the aforementioned schedule.

5. The conference urges the SDS National Consultative Council to adopt all necessary measures to strengthen the organizational unity of the SDS by maintaining permanent contact with the local coordination councils and regional consultative councils. The conference urges the national consultative councils, if necessary, to give a vote of no-confidence to those coordinating councils that are disgracing the SDS cause among the constituents; to declare the beginning of the election campaign and to specify the parameters of cooperation within the framework of the united opposition; and to decide that all candidates running for legislative seats should commit themselves to act solely as representatives of the coalition and not of their individual organizations during their term of office.

Resolute actions and unmistakable positions are required from all participants in the conference. The future activities of the legislators elected by the will of our constituents are of tremendous importance in this respect.

## Todorov Denies Involvement in 'Revival Process'

*AU0604200091 Sofia DEMOKRATSIYA in Bulgarian 30 Mar 91 p 3*

[Letter from Nikolay Todorov, chairman of the Grand National Assembly:"I Was Never Involved in the So-Called Revival Process"]

[Text] On 19 March 1991, DEMOKRATSIYA published an article by Bozhidar Kunchev entitled "The Chairman of the Grand National Assembly Was Also One of the 'National Revival' Champions." The article is a typical example of present-day morals, which should serve as a warning for the coming generations, it is a model of accusations without evidence, using strong and indiscriminate epithets and demanding formal retaliation. Such an attitude reminds us of the well-known examples from the fascist and totalitarian periods.

As a matter of fact, the article was based on a statement I made in an interview and is cited out of context. On that occasion I stated that single-nation states were established in the Balkans, and that, unfortunately, the fate of the minorities living in them has always been to become assimilated. It is unnecessary for me to point out that I spoke the historical truth, the more so because the conversation with the person in question was related to the development of the nationality issue in the last two centuries in Central and Eastern Europe. Thus, it was simply the assessment of a process common to all countries of Central and Eastern Europe, an argument that we may agree with or not, but which we cannot change.

The author of the article in question, however, ascribed to me an expression from which it appears that my statement was directly connected with the ethnic groups in Bulgaria. In the passage he cited there is not even mention of the word "Turks" on my part. Therefore, Kunev's accusation stems from his own imagination, even more so because the facts about my negative attitude to the so-called "national revival" process are

well known to our public, since the very beginning of the process. Evidently, they are not known, or not convenient for Kunchev's arguments.

Therefore, I will mention only the statement published in the press during the same period by correspondent Jane (?Howard), in the GUARDIAN, 11 October 1989, after the same journalist had numerous interviews in our country. She wrote as follows:

"The whole event aroused the Bulgarian public, questions which people even did not suspect existed, were discussed. Professor Nikolay Todorov, specialist in Balkan history at Sofia University, was among the numerous people who were convinced that the campaign of changing names under which ethnic Turks were forced to adopt Bulgarian names in the 1984-85 period was a mistake."

Further on she cites part of my answer to her question about who was the winner in this cause, Zhivkov, or Ozal. I stated as follows: "I cannot say, but what I can say is that there are very sharp reactions here, even an anti-Turkish feeling that did not exist in the past, not only against the Turks in Turkey, but also against this population."

Coming back to the sentences cited by Kunchev, who is lightheartedly accusing me of all kinds of sins, I would like to know one thing: Does he ever ask himself the question, where are the Bulgarians who remained on the territories of neighbor Balkan countries during the 19th and 20th centuries? Have they not been subject to assimilation and deportation? Should we, in a historical context, ask ourselves what has become of them? We are talking about realities in the Balkan peninsula that continue to represent a burden and cannot be brushed off with indifference.

In mentioning the "revival process" I could not permit myself lightheartedly to accuse any of its ideologists. The legal procedures are expected to reveal the truth, and I hope they it will point out the responsibility. I declare, however, and this can be proved at any time by domestic and foreign sources, that not only I have nothing in common with the socalled "revival process" and with the application of coercive methods for the solution of the nationality issues, but I was even publicly accused at that time for not getting involved with it. Therefore, you should remember Mr. Kunchev, that I have not "evolved" as you claim. Your efforts to unmask me as a "reviver" are simply pathetic!

26 March 1991.

Signed: Nikolay Todorov

## Fatherland Party Opens Congress in Sofia

*AU0604151191 Sofia Domestic Service in Bulgarian 0900 GMT 6 Apr 91*

[Text] Today the Fatherland Party of Labor is holding its first regular congress in Sofia. Taking part in the congress are 85 delegates and 23 authorized representatives of party organizations from throughout the country.

In his political report, the party's chairman Rumen Popov spoke not so much about the party's one-year history as about its present and future tasks. He proposed that the new leadership should be empowered to draft, with the help of specialist consultants, a national program and a long-term strategy on the nationality issue.

Popov stated that he considered it extremely likely that a joint union of the patriotic forces will be formed in the near future, in which the Fatherland Party of Labor could and should hold a leading position.

The delegates will discuss and adopt a new statute for the party and its election campaign platform.

## KGB General Blames Zhivkov for Markov's Death

*AU0604151391 Sofia BTA in English 1933 GMT 5 Apr 91*

[Text] Sofia, April 5 (BTA)—In his almost 30-minute interview for Bulgarian television this evening General Oleg Kalugin of the KGB confirmed the statement he made for Radio Liberty a few days ago: That the then Bulgarian minister of the interior had asked the KGB's assistance in the assassination of the Bulgarian emigre writer Georgi Markov. General Kalugin once again accused Todor Zhivkov directly of having organized the assassination. He called him the "chief culprit for this crime" and its "chief initiator."

General Kalugin expressed his readiness to come to Bulgaria and confirm his words in court. They were recently refuted in "DUMA" by the minister in question, Dimitur Stoyanov. General Kalugin's statement was also refuted in a special declaration of the KGB. But this entire system rests on denying, General Kalugin pointed out.

"I will name the people who were involved," General Kalugin said. "I will tell you about the circumstances, I will tell you how such things happened." He said he knew of other details too, but would rather keep them for the future. He said they would leave no doubt in any impartial observer or judge that this was exactly how it happened.

"Stoyanov knows there are no traces left, that there is no physical, no material evidence. But there are witnesses," General Kalugin stressed. He said he could name people in the USSR who can shed light on this case.

KGB agents were not directly involved. The KGB helped by "sending experts and special equipment." These experts were then received by Vasil Kotsev, chief of the Bulgarian intelligence at that time. There were several attempts on Georgi Markov's life. The notorious "Bulgarian *umbrella*" *one was successful. General Kalugin* was categorical: Everything related to the umbrella was made in the KGB laboratories. Bulgaria, in his words, was a novice in this field, he said. So it turned to a "fraternal country which had become an expert in all this in Stalin's times."

The scandal with Markov's missing file was followed by reports in the press that last February three Bulgarian generals had destroyed the file in question. "I don't believe the KGB has a copy of the file," General Kalugin said. "If there is anything left in the KGB archives, it can only be traces of mission reports."

The general mentioned the name of Sergey Golubev, now a KGB general. In 1978 he headed the KGB Security in Intelligence Department. He came to Bulgaria personally to give instructions. General Kalugin believes that Golubev's reports may have been preserved.

Speaking of Markov's destroyed file the general said that the Bulgarians have always followed the example of their "big Soviet brother" and blotted out all traces. He said that in the Soviet Union all records about Sakharov, Solzhenitsyn and other dissidents have already been destroyed. If they were made public they would "deal a stunning blow on many living and prospering politicians and major KGB figures." "They destroy everything, this is Kryuchkov's team," he said.

In his interview General Kalugin spoke in detail of the close relations between the Bulgarian secret services and the KGB. The Bulgarian secret services sent no formal reports to the KGB. "Our relations were so close that practically not a single step of the Bulgarian Interior Ministry was taken without our knowledge. We used to know everything that was going on in Bulgaria," he explained.

When asked whether there are KGB agents in Bulgaria (there were some rumours about KGB employees being able to enter any establishment in Bulgaria), Gen. Kalugin answered: "It should be borne in mind that our secret services have always had full confidence in each other. They were almost our own people, almost like collaborators of our own organization." KGB employees worked at the missions in Sofia and Varna, they had many rights, they could enter whatever establishment they wanted. But they were few. The KGB representatives in Bulgaria numbered 20.

The Soviet secret services did nothing behind the back of the Bulgarian ones, this was not necessary, General Kalugin pointed out.

He also said that the Soviet KGB disliked Zhivkov for his authoritarian approach and his disrespect for people. In his opinion, the Bulgarian secret services had a similar attitude to the ex-No 1.

*General Kalugin said that the official refutal of his* statement by the KGB shows that nothing has changed in this institution.

He repeatedly stressed that he is ready to confirm his words in court, be it Bulgarian, Soviet or the Supreme Court of the Soviet Union. "I've got a sackful of information, why should I engage in slander," he said.

## CEMA's Demise, Future Prospects Analyzed

*AU0604195991 Sofia DUMA in Bulgarian 2 Apr 91 p 1*

[Krasimir Tsigularov article: "CEMA Will Be Abolished, But When the New Organization Will Appear Is Uncertain"]

[Text] Within a few months, CEMA will end, and talks will begin on new forms of economic cooperation between the former CEMA members. The dates for these events have not been set, nor is it clear whether the governments will be directly involved in the abolition ceremony, or whether the organization will quietly disappear from the world economic scene by a decree issued by its Secretariat. What is clear, however, is that at the moment the idea of forming a new organization for international economic cooperation (OMES) is losing support, according to Krasimir Koev, an expert in the USSR, Eastern European Countries and CEMA Department of the Ministry of Foreign Economic Relations.

The organization ceased to function in practice when the countries of Eastern Europe started the transition to new mutual economic relations. The abandonment of coordination of national economic plans and the specific system regulating prices, foreign exchange, and credits deprived CEMA of its functions.

The idea, mooted more than a year ago, of transforming CEMA into a new organization remains an uncertain future prospect. At the meeting held in Moscow in mid-March it became clear that the member countries are not ready or not in a position to make the change.

At present the idea of a system of multilateral economic cooperation is under discussion. There are no differences on this issue—the problems that the Eastern Europe countries are encountering in their transition to a market economy are very similar. Their desire to seek common solutions is strengthened by the volume of the exchange of goods between them and the fact that their economic structures were attuned to one another over such a long period. For the time being Poland, Czechoslovakia, and Hungary have no intention to linking themselves to a new economic organization, and are aligning themselves toward the EC. The three non-European countries—Cuba, Vietnam, and Mongolia—are ready to discuss any

new forms, but the idea is increasingly gaining currency that future cooperation will primarily involve the countries of Eastern Europe.

Even following the unification of their economies over so many years, the CEMA member countries still greatly differ from one another, especially in relation to their level of development and present aims. Despite the common striving toward integration with the European and world structures, their economies differ in their level of preparedness, which also depends on the dynamically changing political situation.

Apart from the talks on the future of cooperation, the issues related to the legacy of CEMA also remain to be dealt with. In a few months the accumulated debit and credit balances in transferable rubles will be eliminated, but on the basis of bilateral agreements. As far as Bulgaria is concerned, the debits and credits for last year more or less balance out.

Decisions also have to be made on the future of the two CEMA banks—the International Bank for Economic Cooperation and the International Investment Bank, which were formed with the participation of the member countries in proportion to their shares in the mutual trade. In Krasimir Koev's opinion, the two banks are more flexible than the organization they used to serve, and can be restructured.

As far as CEMA's property is concerned, it is jointly owned by its members and includes the office building in Moscow, the Mir hotel complex attached to the former, a rest center outside Moscow, and a kindergarten, plus of course office equipment and a fleet of vehicles. A rational use can be found for these modern buildings and equipment. Talks on valuing the property and deciding how it should be disposed of started as soon as it became clear that OMES, CEMA's successor, would not be formed in the near future.

## TU Holds First Conference, Leadership Elected

*AU0504084091 Sofia DUMA in Bulgarian 1 Apr 91 p 2*

[Boyka Bashlieva report: "The Edinstvo People's Trade Union Advocates Economic Reforms Based on Social Welfare Principles"]

[Text] The Edinstvo [Unity] People's Trade Union will not sign the agreement on social peace as long as the government does not base its economic programs on social welfare principles, Ognyan Bonev stated. He was elected chairman of the trade union's National Leading Council at Edinstvo's first regular congress held on Saturday, 30 April 1991.

Edinstvo considers the government's economic reform courageous and dynamic, but ineffective from the point of view of improving social conditions. It upset our whole society without stimulating an economic revival. If the government should fail to adopt prompt, corrective measures, especially in banking policy, measures that conform with the country's labor-productive possibilities, a social upheaval with disastrous consequences for civil peace is likely to affect the country, the trade union thinks.

The Edinstvo People's Trade Union, which was officially established on 6 November 1990, does not seek confrontation with the two other official trade unions, namely the Confederation of Independent Trade Unions [KNSB], and the Podkrepa Labor Confederation, but tries to rally part of the working people engaged in manual and intellectual labor, who are not members of the two other labor organizations, in a modern cooperative trade-union association.

The 286 delegates attending the congress, who represent 284,000 organized members of the Edinstvo Trade Union, declared the following: We shall not only try to prevent the politicization of our trade union, but we shall also oppose any interference on the part of any right wing or left wing political forces.

As a trade union-cooperative movement, Edinstvo is willing to contribute to the settlement of economic problems, through its own socioeconomic initiatives and through them to arrest the growing unemployment rate. The trade union has drafted programs likely to provide jobs for 214,000 workers and 8,200 specialists in the textile, leather, and clothing industry sectors, and in electronics, ship-building, and other economic branches.

## Bank Founded With 60 Million Capital

*AU0804111991 Sofia DUMA in Bulgarian 4 Apr 91 p 2*

[Text] The Bulgarian Post Bank has been founded in Sofia. This is the 73d bank founded in our country, but it aims at becoming one of the top 10. The bank's constituent capital comprises 60 million leva. Some 80 percent of this amount belongs to the Committee on Communications and Information, and the rest—to the National Culture Palace.

Vladimir Vladimirov is president of the bank. Expert assistance is expected from Sweden and Germany.

### Shooting Reported at Iraqi Embassy Demonstration

*LD0504172191 Prague Domestic Service in Czech 1630 GMT 5 Apr 91*

[Text] The Union of Kurdish Students in Czechoslovakia held a demonstration in Prague at which the participants called for an end to the murder of the Kurdish people and for the UN Security Council to follow up promptly the initiative presented by France and Great Britain to adopt a resolution on assistance to the Kurds.

The students drew attention to the fact that the whole world had managed to unite when it was a matter of liberating Kuwait, and now it is allowing Saddam Husayn to continue his crimes against defenseless people.

After 1500 the demonstration continued in front of the Iraqi Embassy on Na Zatorce Street in Prague-6. During the demonstration, men armed with pistols and a submachine gun ran out of the embassy and fired at the students. About 10 shots were fired; no one was injured.

Federal First Deputy Interior Minister Jan Ruml has gone to the scene.

We have here a comment by a member of the Iraqi representative mission in Prague. He says that the shooting in front of his building came not from people within the embassy, but from the Kurdish demonstrators.

### Foreign Ministry Protests Shooting

*LD0504191591 Prague CTK in English 1841 GMT 5 Apr 91*

[Text] Prague April 5 (CTK)—The Czechoslovak Foreign Ministry has "resolutely protested" against the incident outside the Iraqi Embassy in Prague this afternoon.

A press release from the ministry said that in the incident "a member of the Iraqi Embassy staff used an automatic weapon to shoot into the air during a protest condemning violence against Kurds".

"The ministry will ask the Iraqi side for a detailed explanation of all circumstances of the incident and will draw the appropriate conclusions to prevent a repetition" of such an event, the press release said.

### Investigation Under Way

*LD0504210291 Prague CTK in English 2018 GMT 5 Apr 91*

[Excerpt] Prague April 5 (CTK)—[passage omitted] A staffer of the Iraqi diplomatic mission in Prague told CTK the fire outside the embassy building this afternoon was not opened by people from the embassy, but by Kurdish demonstrators. Some of them fired several shots at the embassy guards, he said.

A delegation of five Kurdish students said they were not armed and wanted to establish contact with the Iraqi ambassador to Czechoslovakia, but armed men ran out from the building and opened fire at the fleeing students.

The police which came to the place of the incident found several bullets in trees in the vicinity of the embassy.

A spokesman for the Union of Kurdish Students in Czechoslovakia Mayed Aga Said [name as received] told CTK Kurdish students did not enter the embassy premises and did not aim at any violent action.

Czechoslovak First Deputy Interior Minister Jan Ruml conferred with Iraqi Ambassador Ahmad al-Mutlaq in the embassy building after the incident.

Ruml later said it was beyond doubt that the person which was shooting ran out from the embassy building. It has been proved that none of the Kurds entered the embassy compound, he said.

Ministry spokesman Martin Fendrych later told journalists that according to a police report Kurdish students mounted the fence around the compound but did not cross to the other side. He confirmed that embassy staffers ran out from the building, one of them into the street where he used an automatic submachine gun to shoot, allegedly into the air.

According to Fendrych, the ambassador maintained that the students were armed.

Fendrych said that Ruml asked the ambassador to provide evidence and told him that the incident would be thoroughly investigated. "In any event it is inadmissible for an Iraqi Embassy staffer...to use firearms outside the embassy compound," Fendrych stated.

There was calm in the area this evening while Czechoslovak policemen continued their on-the-spot investigation and patrolled the building.

The Union of Iraqi Students in Czechoslovakia expressed its "profound disgust" at what it described as an "action of Iraqi 'diplomats' against the peaceful demonstration of our Kurdish colleagues protesting against the barbarous campaign being waged by Saddam Husayn against the Iraqi people, and especially Kurdistan."

A statement made available to CTK by Chairman of the Union Said Yahya [name as received] called it an "act of terrorism" and expressed "support and solidarity with our Kurdish brothers."

### Dienstbier Comments on Incident

*LD0704184391 Prague Federal Television Network in Czech 1730 GMT 7 Apr 91*

[Interview with CSFR Foreign Minister Jiri Dienstbier by unidentified reporter in Prague; date not given—recorded]

[Text] Mundhir Ahmad al-Mutlaq, ambassador of the Republic of Iraq, was this evening invited to the Foreign Ministry in Prague regarding events outside the Iraqi Embassy in Prague on 5 April:

[Dienstbier] Our stand is quite clear, and we have expressed it in a note that was handed to the ambassador. We consider it to be an utterly inadmissable violation of the Vienna agreement on diplomatic missions. It is also a gross violation of CSFR laws, and the Iraqi ambassador has been asked to give us names of those who were either shooting or committing other violent deeds.

[Reporter] Could you give concrete information about the course of the meeting?

[Dienstbier] The meeting with Deputy Pirek is still, in fact, continuing at this moment, but the Iraqi ambassador also presented us with a note in which he protested against insufficient protection of the mission. He writes in it to us that the staff feared for their life and that there were threats that the embassy would be burned down and the diplomats would be killed. However, according to investigations carried out by our security services—who, after all, arrived at the scene very quickly and prevented further unlawful deeds—the situation was different, and it is therefore necessary to wait for the full results of the investigation. However, this does not change anything regarding the fact that Iraqi diplomats behaved not only inappropriately but were also breaking the law.

[Reporter] Does this mean that the participants in the whole incident will have to leave the CSFR?

[Dienstbier] Those who truly carried out these acts will have to leave.

[Reporter] Could you express the view of the ministry on the present situation in northern Iraq, where thousands of Kurds running away to Turkey and other countries from the Saddam regime are suffering?

[Dienstbier] This is, naturally, a thing that shows how complicated not only international relations, but situations in a whole number of other countries are today. After Saddam Husayn lost the battle for Kuwait, he is now quite mercilessly destroying and murdering the inhabitants of Iraq. The CSFR condemns this quite unequivocally, and we are prepared to participate in any international activity that would attempt to create such conditions that would prevent such a thing from happening ever again.

[Reporter] Mr. Minister, what is your view on the action of Kurds who are demonstrating against Saddam Husayn throughout the world?

[Dienstbier] I think this is quite natural, because they have no other means of defense. One can understand it very well.

### Federal Assembly Calls For Aid to Kurds

*LD0504222491 Prague CTK in English 2020 GMT 5 Apr 91*

[Text] Prague April 5 (CTK)—The Czechoslovak Federal Assembly (parliament) passed today a resolution calling on the government to consider providing aid to the Kurds of Iraq.

The parliament's resolution referred to "the enormous suffering" inflicted upon the Kurdish population by the regime of President Saddam Hussein, and noted that the Kurds have been for a long time and continue to be "the target of long and tenacious persecution bordering on genocide on the part of the Iraqi governments...."

### Havel Interviewed on Trip to Slovakia

*LD0704183491*

[Editorial Report] Prague Domestic Service in Czech at 1215 GMT on 7 April broadcasts a 28-minute interview, during the "Conversations at Lany" program, with CSFR President Vaclav Havel by correspondent Jiri Vejvoda. Vejvoda opens the interview with President Havel, pointing out that it is the first time that the "Conversations at Lany" are carried out in Slovakia, and asks Havel about his Easter holidays there. Havel notes that he attended Holy Mass in Stary Smokovec Church on Good Friday, and recalls individual meetings with people. He goes on to comment on one aspect of the so-called Tatragate affair, concerning people's fear that if a U.S. company buys some local hotels, local people will be laid off and jobs given to American blacks. Havel recalls Tigrid's recent television address calling on politicians to stop their petty quarrels, and Slovak Radio's interpretation of this appeal is a call to hide one's own views in order not to become unpopular with the West.

Havel goes on to speak of Slovaks' fears of Western intervention. He says: "I have the feeling that totalitarian centralism, under which everything was being decided somewhere at a high level, is of course a big part of our present constitutional problem. It is because the center of our state—the center of that totalitarian power—was understandably in the capital, in Prague, and all that was hated fell to a considerable extent on Czechs' heads, as Prague is in Bohemia, as is well known. I would not like to simplify things in trying to explain all problems in this sphere on this basis only, as the whole thing has of course deeper roots. They go as far back as the First Republic [1918-1938], when the Czechs really had some kind of a steward's attitude toward Slovakia, for many various reasons.

"Slovakia was then to a certain extent a province, a colony, and this is still preserved in the Slovak community's subconscience. Now it is being added to the experience of totalitarian centralism. Together they create distrust of federal institutions, with which we have great problems. If you say federation here, it is almost an insult. What is meant by it is someone above us, someone to be suspicious of, and

even if it were made up entirely of Slovaks, it would not play a role, as it is suspicious simply due to the fact that it is based in Prague.

"I fully understand—and whenever I am staying in Slovakia I understand it even more—that desire to be independent, that need to decide things by ourselves, with no one from far away, who does not understand the situation, intervening. Nevertheless, I would like to emphasize that this is a need not only of the Slovak nation, but also of every citizen, be he Czech or Slovak, who demands that he decide his own affairs.

"What is important is to find a model of a state that would put power in the field of civic affairs into the hands of its citizens, but would at the same time create some kind of trust in a state, in a federation. The task is is to renew that structure of trust.

"We spoke about this issue during my luncheon and agreed that the distrust that is at present characteristic in the Slovak milieu for anything Czech or federal—and also a certain Czech distrust of Slovak things—is in substance just part of a much wider crisis: the crisis of trust in general. It is the crisis of trust in any kind of higher authority, regardless of the fact that we ourselves elected it and were full of joy and euphoria that nobody was emposing nomenklatura on us, that we were the ones who elected our representatives. Nevertheless, we almost immediately lose our trust in them, as if they were the previous nomenklatura representatives, because that distrust understandably persists—as it is deep in us, as we cannot get rid of it in one day. Moreover, the old structures of governing also persist, though we attempt to change them as quickly as possible. But it is not possible to change them so quickly."

Vejvoda asks Havel if he feels restrained in his comments because of his presidential post, and Havel admits that he is indeed always aware of the weight given to his words because of his post. He goes on to say that Tigrid is right in stating that our political life suffers from unnecessary petty quarrels.

Asked about the results of his meetings with local representatives, Havel says it was very useful for him to hear about troubles on the local level. He speaks more in detail on the necessity to give a certain income from local taxation to local communities and above all to give them local powers. He points out that to a certain extent Slovaks' experience with the totalitarian regime is linked to the issue of Prague centrism and emphasizes that it can be tackled only through delegating more power to local bodies and overcoming distrust of every kind of authority. Havel goes on to speak about a notion of sovereignty that is necessarily always relative.

Vejvoda asks Havel why a meeting with Slovak politicians, planned to take place last Friday, did not take place, and Havel explains that it could not take place because not all those involved had time to attend; in particular, Jan Carnogursky could not come because of his trip to Hungary, Yugoslavia, and Romania. In addition, Havel says, he did not want to discuss these issues without a representative of the Christian Democratic Movement, as it is one of the very important Slovak political forces. He says that he meeting is scheduled again in about 10 days' time.

Vejvoda notes that Havel is not presenting himself as an expert on the economy, but asks him about his views in this field. Havel notes the need to explain economic issues in understandable terms to citizens, and speaks about his plan to organize a television roundtable, during which he would ask ministers in charge of economic affairs questions on behalf of ordinary citizens.

## Rychetsky Rejects Slovak Alienation Feelings

*LD0504171391 Prague CTK in English 1539 GMT 5 Apr 91*

[Text] Prague April 5 (CTK)—Czechoslovak Deputy Premier Pavel Rychetsky said today Slovakia's fear of the ecomomic reform, which is much stronger than in the Czech lands, can be overcome only by the preservation of the common federative state of Czechs and Slovaks.

Rychetsky was speaking at a press conference given by the Civic Movement (OH), one of the two parts formed from the Civic Forum (OF) on February 23. The OH associates sympathizers of the OF parliamentary "Liberal Club".

Commenting on views that Slovakia could take its own road, Rychetsky said this would lead to Slovakia's isolation, would negatively affect also policy and economy in the Czech lands, and could jeopardize Slovakia's independence more than its democratic union with the Czech Republic.

Rychetsky said there are no Slovak specificities justifying the idea that the economic reform cannot be implemented in Slovakia. But he admitted Slovakia's readiness for a radical economic reform is not at the level of the Czech lands and therefore the Slovaks will feel its adverse effects sooner than the Czech Republic. He supported his claim by figures on unemployment which is three times higher in Slovakia than in the Czech lands. "Each social impact in this transitional period has an anti-federal effect in Slovakia. Each such impact can be explained by the assertion that 'this' was thought up in Prague".

In Rychetsky's view the present shape of the economic reform and absence of adequate explanatory work leads to anti-federal sentiment because it widens the gap between the federation and the republics.

Rychtesky said the false feeling that the Slovaks are not architects of their own future must be refuted.

### Fendrych Explains Intelligence Services' Agreement

*AU0704175791 Bratislava PRAVDA in Slovak 3 Apr 91 p 2*

[CTK report in the "Briefly From Home" column: "What a Gentlemen's Agreement Is"]

[Text] "A gentlemen's agreement is a high-level verbal agreement, the violation of which may be published or used politically against the violating party. It is not a written accord," Interior Ministry Spokesman Martin Fendrych said yesterday in response to the request by a CTK correspondent that he explain the agreement between CSFR Interior Minister Jan Langos and representatives of some foreign intelligence services. "The gentlemen's agreement between Minister Langos and some Western intelligence services guarantees that under no circumstances would these services work against the CSFR state regime, nor destabilize its economy or politics. They would not undertake any action aimed against the other state.

### Muller Responds to Interior Ministry's Statement

*AU0804091891 Bratislava NARODNA OBRODA in Slovak 3 Apr 91 p 2*

[CTK report: "A World Rarity: Counterespionage Without Agents"]

[Text] Prague—J. Muller, former director of the former Office for the Protection of the Constitution and Democracy (today, the Federal Information Service—FIS), responded yesterday to the statement by Interior Ministry Spokesman M. Fendrych made in the Journal of the Czechoslovak Television on Friday, 29 March. Fendrych said of Muller that "despite the explicit ban by the federal minister of the interior, he had the agent network (of the former State Security) [StB] revived. J. Muller replied in his statement as follows: "The Interior Ministry collaborated with some agents of the former StB under Minister R. Sacher and the deputy minister in charge of the former Office for the Protection of the Constitution and Democracy J. Ruml, as well as under the new minister, J. Langos, and the deputy minister in charge of the office, and under myself. As far as I know, I have issued the only order limiting this collaboration and that on 3 October 1990. I forbade any collaboration by the employees of the office with the agency of the former StB except when staff members of the former StB come to the office on their own initiative.

"Regarding the activity of the Western intelligence services in our territory or against the Czech and Slovak Federal Republic, it is certain that their goals fundamentally changed following the fall of the communist regime, just as the aims of the Czechoslovak counterespionage changed. Thus, possibilities arose for a practical cooperation particularly in the international sphere. Nevertheless, this does not mean that our counterespionage should rid itself of means of preserving its own independence.

"The statement by the spokesman of the Federal Ministry of the Interior claiming that the Czechoslovak counterespionage service is not building an agent network is more than just embarrassing. On the one hand, J. Langos's belief that an agent network is immoral is well known, on the other hand, he approved the bill allowing the agency. In any event, counterespionage without this intelligence tool would be a rarity in today's world," J. Muller concludes.

### Federation Referendum Currently 'Not Feasible'

*LD0604200291 Prague CTK in English 1522 GMT 6 Apr 91*

[Text] Bratislava April 6 (CTK)—The major political forces both in the Czech and the Slovak republics continue to claim they support a federative setup in the country, Czechoslovak Premier Marian Calfa told CTK today. He said the republics and the federation are three equal, sovereign state formations with certain powers. At the Federal level powers should be unique for both republics (foreign policy, defence, frontiers, monetary system, citizenship etc). According to Calfa, a referendum on the future constitutional setup of Czechoslovakia is not feasible in the current political situation. [The] referendum has not yet been constitutionalized and its preparation and holding requires certain time, Calfa said, adding that the country's setup will probably be solved yet before the adoption of new constitutions. Asked about current attempts of certain political forces in Slovakia to make Slovak economy independent, Calfa said that the Czech and the Slovak economies are very closely linked and the two republics should therefore follow one economic road.

### Parliament Fails To Pass 'Crucial' Land Bill

*LD0504214291 Prague CTK in English 2014 GMT 5 Apr 91*

[Text] Prague April 5 (CTK)—The Czechoslovak parliament failed to approve today a bill on land under which 70 per cent of all farm land is to be turned over from cooperative or state ownership and become private property.

The bill is one of five laws considered crucial for the economic reform in Czechoslovakia. The other four—-two on restitution of property to former owners and two on privatization—have already been approved.

In today's vote, the bill on land was approved in the House of the People where it received 70 votes, against 18 and 12 abstentions. It failed to pass the House of Nations where it was supported only by 17 Czech and 30

Slovak deputies, both short of the majority of 38 required in each half of this house.

Economics Minister Vladimir Dlouhy proposed that the bill be now returned to the parliamentary committees for amendments. During the debate which lasted since March 28, 98 amendments were proposed but only nine were passed in earlier voting today.

According to Dlouhy, too few deputies were present during the voting this morning and some amendments that might be acceptable to the government thus did not receive the necessary majority.

Also rapporteur for the House of Nations Josef Lux criticized that one-third of all deputies and all ministers were absent from the discussion of such important legislation.

Each of the houses has 150 members. 101 deputies of the House of the People and 115 deputies of the House of Nations were present for the vote.

The parliamentary presidium will now decide whether the bill will be returned to the committees or whether another procedure will be chosen.

Both houses then agreed to conclude the current 14th session of parliament.

The draft provides for the return of land to natural persons, not legal ones.

A major point of contention in the debate concerned the transformation of current cooperative farms into owners' cooperatives. One group of deputies proposed that only land owners become members of cooperatives. The government argued that this would be discrimination against some 400,000 members of cooperatives who have worked in them in the last twenty to thirty years, helped to increase their wealth and suddenly would find themselves to be labourers.

Another problem which was widely debated was the return of land to members of ethnic minorities. The Slovak government protested against the return of land to Hungarian citizens living in Czechoslovakia, from whom it was confiscated under 1945-1946 rulings. As regards Czechoslovak citizens of German nationality, especially in the Czech and Moravian borderland, the Czechoslovak Government insisted that the restitutions do not go before February 1948, the time of the communist takeover in the country.

Also views on the size of compensations differed.

## Dubcek Urges 'Correction' to Economic Reform

*AU0504143891 Prague HOSPODARSKE NOVINY in Czech 2 Apr 91 pp 1,2*

[Interview with Federal Assembly Chairman Alexander Dubcek by unidentified reporter on 1 April; place not given: "Taxes a Problem of the Reform"]

[Excerpt] [passage omitted] [CTK] The Federal Assembly asked the federal government to submit to it a report on the economic situation of our society. Why has the report not been discussed?

[Dubcek] In making the request, we were guided by the unsatisfactory state of our economy. The harsh restrictive policy affects citizens. Unemployment in the CSFR has climbed to 152,000, of which more than 90,000 are in Slovakia. Production has declined 5.8 percent over the past year, mainly as a result of a marketing crisis and insolvency. We have not held a debate yet because the written report will first be discussed in the economic and budget committees. We will then return to the problem at a Federal Assembly plenary meeting. What we badly need is the restructuring of the entire system of taxes. Many problems are in store for us, the solution to which lies in a consistent implementation of the economic reform. This reform will, however, apparently require a certain correction, although many people do not like to hear this, especially in credit policy and in the system of taxation.

## First Foreign Trade Company Goes Bankrupt

*AU0504141491 Prague HOSPODARSKE NOVINY in Czech 2 Apr 91 pp 1,2*

["rs"-signed report: "Goodbye Pragoinvest"]

[Excerpts] Pragoinvest is the first shareholding company in the CSFR to be liquidated. This was decided with final validity by the shareholders' general assembly held on Friday [29 March]. The shareholders are FINOP (an organization for setting up shareholding companies operating under the Federal Ministry of Foreign Trade) with 51 percent of shares, CKD Prague with 33 percent, and Prerov Engineering Works with 16 percent. [passage omitted]

The reasons that led to the liquidation of Pragoinvest were summed up by its general director, engineer Milous Cervencl. They are the disintegrating Eastern markets, irrecoverable debts abroad, and the credit policy of Czechoslovak banks. Pragoinvest has a 1.8 billion korunas [kcs] debt with banks and kcs3.5 billion worth of irrecoverable (or, partly, long-term) claims abroad.

Apart from its financial crisis, Pragoinvest is also affected by a personnel crisis. Of Pragoinvest's original 630 employees, 230 have left already and an additional 150 are leaving the sinking ship on 1 April. [passage omitted] It is currently impossible to determine how the liquidation will be carried out and how long it will take because some of Pragoinvest's claims are payable only after the year 1999. It is not clear whether the liquidator will sell Pragoinvest's claims abroad or on the home market (which would require a bank credit) or whether its liabilities will be paid by the state from the state budget. [passage omitted] Moreover, a liquidator has not yet been appointed and a bankruptcy law is still not in place. [passage omitted]

### Journalists, Publishers Want Sales Tax Reviewed

*AU0504151491 Prague CTK in English 1931 GMT 3 Apr 91*

[Text] Prague April 3 (CTK)—Czechoslovak journalists and publishers urged the Federal Government to reconsider its March 28 decision to retain a 22 percent turnover tax on periodicals in an appeal obtained by CTK today.

The statement says the government's decision was taken without regard for a memorandum from Czechoslovak Journalists' and Publishers' Unions submitted to Prime Minister Marian Calfa on March 12, which expressed their views on the tax and suggested negotiations on the issue with the government.

Drafted jointly by the Journalists' Syndicate of the Czech Republic, the Slovak Syndicate of Journalists, the Union of Czech Publishers and Booksellers, and the Slovak Association of Periodical Publishers, the appeal also stresses that government press subsidies are unacceptable in a democratic society.

### Klaus Denies Selective Periodical Subsidization

*LD0704220691 Prague Domestic Service in Slovak 1500 GMT 7 Apr 91*

[Text] Federal Finance Minister Vaclav Klaus denied today that the government has declared its intention to subsidize only some periodical publications.

In the "Review of the Week" television program, he admitted that the state might consider supporting the magazines of national minorities, although so far it does not have either the money for it or the inclination and interest in doing so.

Nevertheless, a communique from a session of the government held on 28 March states that the survival problems of periodical publications can be tackled through subsidies by the federal government or the republican governments, providing that these bodies are interested in preserving certain newspapers and magazines.

### Havel Writes Congress of Resident Poles

*LD0604210691 Prague Domestic Service in Czech 1630 GMT 6 Apr 91*

[Text] Over 300 delegates and guests attending the congress in Cesky Tesin discuss nationality problems of the Poles living in the CSFR. Frantisek Tvrz reports more in detail:

[Tvrz] The presence itself of delegations from Warsaw and Prague, representatives of the two governments, as well as of numerous organizations of the two countries shows the extraordinary character of the meeting of the delegates who represent, in fact, almost all the Poles from all the organizations active on the territory of the Czech and Slovak Federal Republic.

Polish President Lech Walesa sent a personal letter to the delegates in which he writes, among other things, that the Polish traditions in Bohemia and Slovakia survived hard times of the oppression and totalitarian regime. That was why the Poles rose in support of reforms and democracy in the time of the November revolution. The Polish president went on to emphasize that, besides the issue of making travel and cooperation more simple, what mattered was that the regional societies, above all, those of national minorities were irreplaceable. He appreciated that the Polish group, which presently consists of about 65,000 CSFR citizens of the Polish nationality, helped significantly to preserve the legacy of the Polish culture, Christian traditions of their ancestors, and their mother tongue.

President Vaclav Havel sent a letter to the congress of the Poles living in the CSFR in which he stresses that the CSFR has an extraordinary interest in developing the national minorities. Our federation belongs to the same measure to the Czechs and Slovaks as it does to the Poles, Hungarians, Germans, Ruthenians, Romanies, and other national minorities. Nevertheless, our relations with the Polish national minority have for a long time suffered because of the problem of people's movement across the Polish-CSFR border. The issue of such a travel across the border should also be solved soon, writes Vaclav Havel. The Charter of Human Rights and Freedoms, which was recently adopted by the Federal Assembly, guarantees all the necessary rights to the national minorities.

Besides the delegates, the representatives of the organizations of the Hungarians and Germans also living in the CSFR spoke at the congress of the Poles living in the CSFR held in Cesky Tesin about fulfilling these rights. The congress will elect its council of Poles and chairmen, but, at the same time, it proposes its representatives to the association of national minorities the task of pushing through the interests of all the national miniorities in the CSFR.

### Six Civic Forum Deputies Join Opposition Party

*AU0404133391 Prague CTK in English 2016 GMT 2 Apr 91*

[Text] Prague April 2 (CTK)— The Secretariat of the Czechoslovak Social Democratic Party (CSSD) has informed CTK that six Federal Assembly (parliament) deputies from the left-center faction of the Civic Forum movement (OF), including a prominent figure of the November 1989 revolution, Valtr Komarek, have joined the party.

According to the party's Secretariat, another four Civic Forum deputies are also considering membership in the CSSD.

The OF won a landslide victory in the June 1990 parliamentary elections, while the CSSD failed to gain the necessary 5 per cent of the vote to qualify for representation in the Federal Assembly. During the election, the CSSD rejected an OF offer of ten mandates on its list.

One of the six who left the OF, Pavel Dostal, told CTK the group will remain in the OF parliamentary club as long as possible. He said they decided to join the CSSD because there was no room for left-center deputies in the OF club.

Dostal said deputies for the liberal-oriented Civic Movement, one of the two groupings into which the OF split on February 23, would be ready to cooperate with the left-center faction but fear this could compromise them.

Dostal also said the Left-Center deputies want to fill the vacancy on the left which might otherwise be occupied by the Communist Party.

[Prague ZEMEDELSKE NOVINY in Czech on 3 April on page 2 carries a 100-word unattributed report, stating that the following six Civic Forum deputies have joined the CSSD: Ivan Fisera, Valtr Komarek, Pavel Dostal, Albert Cerny, Jozef Wagner, and Josef Spacek]

### Civic Democrats Establish Legislative Deputy Club

*AU0504155691 Prague CTK in English 1630 GMT 3 Apr 91*

[Text] Prague April 3 (CTK)—The move by six Civic Forum (OF) deputies into the Czechoslovak Social Democratic Party (CSSD) can be interpreted as casting doubt on the results of last year's parliamentary elections, said a representative of the Civic Democratic Party (ODS) at a press conference today.

Said Petr Cermak, a member of the ODS Preparatory Committee and a deputy in the Czech National Council (parliament), "the election platform represented by a deputy is in fact a contract between the voter and the deputy. Viewed from this perspective moving to another party with a competing election platform is a violation of (the) contract".

In response to the ODS statements Ivan Fisera, one of the deputies who left OF for the Social Democrats, said the decision to change parties was carefully considered and was based in part on the fact that the right within the OF was beginning to go beyond the original movement's platform.

Fisera described the move as a way to balance out the domestic political scene and express the will of those citizens who would have voted for more socially oriented deputies than existed under the OF umbrella program at the time of the elections last June.

"One cannot speak about this either as a violation of our contract with the voters or as casting doubt on the election results, since in no case are we going to practice a policy that would be in conflict with the Civic Forum electoral platform", said Fisera.

Petr Havlik of the ODS preparatory committee also told journalists that about 20,000 people have registered for the ODS according to preliminary figures. The exact number of members will be determined at the party's founding congress in Olomouc, North Moravia, on April 20 and 21.

An ODS parliamentary group of approximately 40 deputies was formally established on March 28 and its first meeting was held yesterday, said ODS Deputy Jiri Kovar. Its members agreed to accept the creation of a Civic Movement (OH) parliamentary group as well, and both groups may continue to operate under the heading of the Civic Forum parliamentary group from which they originated.

The Civic Forum was divided into the Civic Movement and the Civic Democratic Party at a special OF congress in Prague on February 23.

### Poll Shows Civic Forum Leads in Czech Lands

*LD0504213991 Prague CTK in English 2005 GMT 5 Apr 91*

[Text] Prague April 5 (CTK)—The Civic Forum Movement (OF) retains the strongest backing of all parties and movements in the Czech lands - 25 per cent, a public opinion poll carried out among 1,085 citizens by the Public Opinion Research Institute in March revealed.

Of the two parts into which the Civic Forum split last February, the Civic Democratic Party (ODS) of Finance Minister Vaclav Klaus is supported by 12 per cent, the Civic Movement (OH) of Czechoslovak Deputy Premier Pavel Rychetsky by 8 per cent.

The OF gained just over or under [as received] 50 per cent in the June 1990 elections to the two houses of the Federal Assembly (parliament) and to the Czech National Council, the parliament of the larger of the two constituent parts of the Czechoslovak Federation.

There is a big gap between the OF and another three equally strong parties: the Communist Party of Bohemia and Moravia (KSCM), the Christian Democratic Union (KDU) and the Greens Party (SZ), each of which was supported by about 9 per cent of those polled. These parties were joined after six months by the Czechoslovak Social Democratic Party (CSSD) which has no seat on the supreme legislative body because it failed to win the necessary 5 per cent of the vote.

The popularity of the OF is bigger in Bohemia (30 per cent) than in Moravia and Silesia where it is supported by 20 per cent. This pushed it to the second place for the first time since May 1990, behind the Self-Government Democracy Movement - Society for Moravia and Silesia (HDS-MSS) which gained 27 per cent-support. It polled 10.03 per cent in the vote for the Czech Parliament last June.

In Slovakia, the Public Against Violence (VPN), winner of last year's parliamentary elections with over 30 per cent of the vote, lost the leading position for the first time since the spring of 1990. Supported by only 14 per cent of the polled, the VPN dropped to the third position behind the Christian Democratic Movement (KDH)

with 21 per cent and the Party of the Democratic Left (SDL former Communist Party) with 16 per cent.

The survey also showed that compared with last year, the number of citizens who would not go to the polls now has increased, to as much as 22 per cent in Slovakia. About 97 per cent of the registered voters went to the polls in all over Czechoslovakia in June 1990.

### Independent Moravian-Silesian Republic Sought

*LD0604193891 Prague CTK in English 1716 GMT 6 Apr 91*

[Text] Prague April 6 (CTK)—The Moravian-Silesian Republic as an equal partner within the tripartite Czechoslovak federation would be a reliable guarantee of social justice and good living standard for the population of Moravia and Silesia, says a communique published today. The communique was issued at today's joint session of the regional assembly of chairmen of district centres and the regional council of the Self-Government Democracy Movement-Society for Moravia and Silesia. The session called on the Czechoslovak Federal Assembly to pass a law which would create conditions both for small farmers and newly established cooperative farms. It criticized screening of deputies of the federal parliament and unanimously voiced confidence in its two members—Boleslav Barta and Vaclav Tomis—whom the screening commission found on the register of the former state secret police.

### Slovak Minister Admits Fraud, Gives Up Mandate

*AU0704184991*

[Editorial Report] Slovak newspapers on 4 April publish several items devoted to an affair involving Slovak Minister of Justice Ladislav Kosta.

Bratislava NARODNA OBRODA in Slovak on 4 April on page 2 carries a 250-word "NO, rr"-signed report entitled "Minister Kosta Voted With Three Hands; '...The Nerves Failed Me'." The report deals with a statement made by Slovak Minister of Justice Ladislav Kosta on Slovak Radio on 3 April. In the statement, Kosta responds to Slovak press reports that queried the fact that during the 20 March vote in the Slovak National Council [SNR] on the establishment of a commission of inquiry into the activities of Slovak Prime Minister Meciar, two Public Against Violence [VPN] deputies, L. Snopko and G. Zaszlos, voted in favor of the establishment of the commission even though they were not present at the time of the vote. In his statement on Slovak Radio, Kosta admits that it was he who voted for Snopko and Zaszlos, his neighbors in the SNR. He attributes his move to the "failure of my nerves." At the same time Kosta vows that the vote was "no manipulation" as "I knew exactly that, had they been present, both my neighbors would have voted as I did."

Kosta goes on to say that in some legislatures it is possible to stand in for a colleague during the vote and that his conduct "was not at variance with the rules of procedure, which do not contain any regulations in this regard." Nevertheless, Kosta announces that he asked the SNR Presidium to accept his resignation from his SNR seat as "I want to devote myself fully to my ministerial duties." In the statement, Kosta explains the belated clarification of the incident in the SNR with an unspecified "stay abroad."

Bratislava SMENA in Slovak on 4 April on pages 1 and 2 carries an 800-word interview with Ladislav Kosta, which was conducted by a "kf"-signed SMENA correspondent on 3 April. In the interview, Kosta admits that he made a "mistake." He believes, however, that he has "drawn consequences from this mistake by voluntarily surrendering the mandate of an SNR deputy." In his opinion, it is not improper for a politician to make a mistake but only to fail to draw consequences from a mistake and to fail to set it right.

Asked whether people can "trust" a minister of justice who made himself guilty of such "conduct," Kosta replies: "As for the government department that I lead, I lead it consistently that it gains the confidence of our citizens. I have not committed any anticonstitutional act, and the fact that I have applied such [strict] ethical criteria against myself should serve as a guarantee even for doubters that I acted in a prudent and highly honorable way." He adds that it is up to the SNR Presidium to consider his case and that he will accept any decision that the SNR Presidium makes.

Confronted with the interviewer's opinion that "in a democratic society it would be impossible for a minister to keep his post after such a 'scar'," Kosta replies: "Had I done it as a minister, within the framework of my function and professional expertise, I would resign. I did it, however, as a deputy, and I have also drawn conclusions from it as a deputy."

Bratislava VEREJNOST in Slovak on 4 March on page 2 carries a 400-word CTK report on a session of the SNR Presidium held in Bratislava on 3 March, which contains a passage devoted to the Kosta affair. This passage states that the SNR Presidium acknowledged Kosta's resignation from his seat in the SNR and that it considers "the problem of voting at the 20 March 1991 SNR meeting settled." The SNR Presidium emphasized that, even though Kosta did not violate the rules of procedure, his conduct was "at variance with parliamentary practices" and a problem of "a deputy's ethics." At the same time, the SNR Presidium highlighted the need to amend the SNR rules of procedures.

### SNR Views Results of Meciar's Trips Abroad

*AU0704193791 Bratislava NARODNA OBRODA in Slovak 4 Apr 91 p 2*

["NO, CTK"-signed report: "Presidium of the Slovak National Council on the Domestic Political Situation"]

[Excerpt] Bratislava— [passage omitted] At its session yesterday, the Slovak National Council [SNR] Presidium familiarized itself with a report on agreements concluded during official trips abroad by delegations of the [Slovak] government. The report, which was submitted by [Slovak Prime Minister] V. Meciar, revealed that, during the visit to the FRG, a protocol on cooperation between the Slovak Republic Government and the Free State of Bavaria was signed, plus some commercial and cooperation agreements at enterprise level. During the visit to Italy, not a single contractual document was signed, only one agreement between enterprises. During the visit to the USSR, a protocol on the visit was signed between the Government of the Ukrainian Soviet Socialist Republic and the Slovak Republic Government. Commenting on this before journalists, Slovak National Council Chairman F. Miklosko said: "As we see, some statements that have been made about the adoption of very important agreements that will secure jobs for a great many people have not been confirmed yet." [passage omitted]

## Poll on Slovak Independence, Party Preferences

*AU0704202491*

[Editorial Report] Slovak newspapers on 4 April publish correspondents' reports, as well as one commentary, on the "latest survey of the views of the Slovak public on some current domestic political problems." The survey was conducted "in late March" by Slovak Radio's "Methodological Research Department" in cooperation with the Institute for Social Analysis of Comenius University in Bratislava. The views of 442 respondents from the whole of Slovakia were surveyed.

The most detailed account of the survey is provided in a 1,000-word Lubo Lazovy report in Bratislava SMENA in Slovak on 4 April, on pages 1 and 2.

According to Lazovy, asked about the need for "Slovak sovereignty," 66 percent of Slovaks agreed that it was "very much needed" or "rather needed," while 18 percent replied that it was "more or less unnecessary."

Speaking about respondents' replies to the question of "constitutional arrangement of the state," Lazovy says that "46.2 percent regard the federation as the best model, 15.4 percent a confederation, and 16.1 percent an independent [Slovak] state. Another 9 percent regard as most suitable a union-type arrangement [spolkove usporiadanie] and 5.7 percent a tripartite federation (that is, including Moravia and Silesia)."

Another topic of the survey was the degree of trust in individual institutions. It revealed the following: "The Federal Assembly is trusted by only 12.2 percent of respondents, partially trusted by 45.2 percent, and distrusted by 34.2 percent. The Slovak National Council is partially trusted by 58.6 percent, fully trusted by 18.8 percent, and fully distrusted by 17.9 percent. The federal government is partially trusted by 38.5 percent of respondents, distrusted by 38.5 percent, and only 10.4 percent trust the federal government without reservations." The Slovak Government, on the other hand, is distrusted by only 6.1 percent, partially trusted by 49.8 percent, and "trusted without reservations" by 40.7 percent. The Slovak National Heritage Foundation is trusted by 33.7 percent, partially trusted by 30.8 percent, and distrusted by 22.2 percent.

According to the survey, the most distrusted institution in Slovakia is the Office of the CSFR President. It is trusted by only 7.7 percent of Slovak respondents, while 49.3 percent distrust it and 27.8 percent "are hesitant."

Replies to the question of confidence in Slovak Prime Minister Meciar showed that "70 percent trusted him before and continue to trust him, 13.3 percent did not trust him before but trust him now, 2.5 percent had trust in him before but no longer trust him, 3.2 percent see their doubts about Meciar confirmed, and 8.4 percent trusted him before but now have doubts about him." A total of 49 percent of respondents would be willing to express their support for Meciar "through the medium of petitions, their deputies, or rallies," 25 percent would be ready to strike for him, and 5.4 percent would be ready to go on a hunger strike in his support.

Asked whom they would vote for if elections were to be held "tomorrow," the respondents gave the following replies: "28.5 percent would vote for the Public Against Violence [VPN] For a Democratic Slovakia platform, 9.7 percent for the Party of the Democratic Left, 9.0 percent for the Christian Democratic Movement, 8.6 percent for the Slovak National Party, and 4.3 percent for Gal's VPN." A total of 25.8 percent of respondents replied that they would not vote at all.

Bratislava PRAVDA in Slovak on 4 April on page 3 carries a 600-word "ao"-signed report on the above survey. In addition to information provided by the SMENA report, the Bratislava PRAVDA report mentions the respondents' reactions to the "incident in downtown Bratislava on 14 March" (when a group of demonstrators for Slovak independence assaulted President Havel). According to the PRAVDA report, "almost 55 percent fully agreed with the president's right to visit any rally, but the same percentage would not have recommended him the visit to a rally marking the 52d anniversary of the declaration of the Slovak state, and 45 percent even regard Mr. Havel's coming to the Slovak National Uprising Square as a provocation." The Bratislava PRAVDA report also adds data on the degree of support for some of the smaller Slovak parties. According to its report, 6.6 percent of participants in the survey said that they would vote for the Democratic Party, 3.6 percent would vote for the Egyutteles (Coexistence) movement, 3.2 percent for the Green Party, and 0.7 percent for "other parties."

Bratislava VEREJNOST in Slovak on 4 April on page 2 carries a 600-word undated interview with Pavol Fric, deputy director of the Comenius University Institute for Social Analysis, on the results of the survey. Fric says

that, although 77 percent of respondents favored the coexistence of Czechs and Slovaks in one state, preference was expressed for a "strongly decentralized model." Moreover, in a similar poll conducted in October 1990, the proportion of supporters of a common state was 8 percent higher.

Asked about the degree of support for the idea of an independent Slovakia, Fric says that the proportion of advocates of an independent Slovak state has reached 16 percent, which is 6 percent more than last October.

Bratislava NARODNA OBRODA in Slovak carries a 600-word Igor Cibula commentary entitled "Food for Thought." Cibula believes that the results of the above survey, particularly the degree of support for the federation, should "satisfy politicians in the Prague center, who are increasingly alarmed by developments on the Slovak political scene." On the other hand, Cibula believes that the high degree of distrust in the Federal Assembly, the federal government, and the Office of the CSFR President should "be subjected to an even more thorough analysis in the Prague political center." In the author's opinion, the high degree of distrust in federal institutions should not be interpreted in Prague as a "consequence of the activity of Slovak nationalists or as a product of Meciar's policy" but as a reflection of Prague's "failure to understand Slovak realities and to fully appreciate the autonomous nature of Slovak political developments."

In his commentary, Cibula also emphasizes the fact that while only 16.1 percent of respondents advocated Slovak "independence," as many as 46.4 percent were in favor of Slovak "sovereignty."

### Pittner Clarifies Statement on 14 Mar Incident

*AU0504184991 Prague MLADA FRONTA DNES in Czech 30 Mar 91 p 2*

["rd"-signed report: "Dispute Over Foreign Intelligence Services"]

[Excerpt] Prague—"All the findings about the operation of foreign intelligence services, as published on Monday [25 March], in the interview that I gave to the weekly RESPEKT, are only of agency nature [maji pouze agenturni charakter]." Slovak Interior Minister Ladislav Pittner told us yesterday when we asked him about his statement that the incident that occurred in Slovak National Uprising Square in Bratislava on 14 March 1991 had been prepared and financed by Western intelligence services.

"We have ascertained through agency channels that foreign intelligence services had assigned tasks to dismissed StB [State Security] staffers. These assignments concerned, above all, the ascertainment of information of an economic nature, information about persons that move around in this [economic] environment, and information about political officials. Information of the same nature indicated that in the second half of 1990 foreign sponsors had been sending money to our country to enlist young people for anti-Semitic, anti-Romany, and anti-Hungarian purposes. In view of the fact that the apparent objectives of these sponsors have been ascertained by us also only through agency channels [agenturky], these findings do not carry such weight that they could be specified in greater detail and published. Nonetheless, these findings have prompted us to start investigating the events of 14 March 1991 at the Slovak National Uprising Square in Bratislava in the same way." [passage omitted]

### Hungarian Claims Regarding Gabcikovo Denied

*AU0504151391 Prague CTK in English 1439 GMT 3 Apr 91*

[Text] Bratislava April 3 (CTK)—The Czechoslovak side has denied a report by the Hungarian news agency MTI that Czechoslovakia has started building a project connected with the Gabcikovo hydroelectric power plant on the Danube.

The Hungarian Agency claimed the Czechoslovak investor has begun construction of the "C" project, conceived as a temporary alternative solution if the Hungarian side fails to carry out its contractual obligations arising from a respective treaty concluded between the two countries.

A senior representative of the Czechoslovak investor has told CTK that the "C" alternative is prepared and the investor is awaiting the final decision of the Slovak Government.

Jozef Oblozinsky, first deputy director of the Water Conservancy Works in Bratislava, said that the Czechoslovak side has so far done nothing which would run counter to the treaty.

Oblozinsky added that though less economic than if it were constructed together with the Hungarian side (i.e. the original Gabcikovo-Nagymaros project) the Gabcikovo water works must be completed to compensate for the expenses worth about 15,000 million Czechoslovak korunas.

The Czechoslovak-Hungarian treaty on the construction and operation of the Gabcikovo-Nagymaros hydroelectric power plant on the Danube was signed on September 16, 1977 and the construction started in 1978. In August 1989 the Hungarian side announced its decision to halt work on the project, including the Gabcikovo plant built on the Czechoslovak territory, thus interrupting the agreed timetable for construction. Talks held by the two sides ever since have so far not produced any solution.

## Austrian Foreign Minister Pays Official Visit

### Jeszenszky Begins Talks With Mock

*LD0504145391 Budapest MTI in English 1039 GMT 5 Apr 91*

[Text] Budapest, April 5 (MTI)—Talks between Hungarian Foreign Minister Geza Jeszenszky and his Austrian counterpart Dr Alois Mock started in Budapest on Friday.

Dr Mock arrived in Budapest on an official visit on Friday morning. After the talks, the two ministers are to sign an agreement on the opening of new border-crossing points between Hungary and Austria. The ministers will hold an international press conference after the talks.

In the afternoon, Mock will be received by Hungarian President Arpad Goncz, speaker of the Hungarian parliament Gyorgy Szabad, and Prime Minister Jozsef Antall.

### 'Power Vacuum' Discussed

*LD0504175291 Budapest Domestic Service in Hungarian 1600 GMT 5 Apr 91*

[Excerpts] At a news conference held by the Hungarian and Austrian foreign ministers in Budapest, my colleague Peter Zentai asked the ministers' view about an international political issue.

[Zentai] At the news conference, on behalf of Hungarian Radio, I raised the issue related to the statement of the secretary general of the Western European Union [WEU] according to which the WEU should create the means whereby it should be able to intervene in Central and Eastern Europe if needed; all the more so because such a role undertaken by NATO could irritate the Soviet Union and only lead to further complications.

Foreign Minister Jeszenszky pointed out that he fears no serious threat or attack whatsoever, by the Soviet Union, for example. At the same time, he considers as an appropriate guarantee the cooperation process comprising the 35 countries. Furthermore, we can undoubtedly rely on the system of bilateral treaties—for example, on the Soviet-Hungarian agreement soon to be signed—even if the rhythm of the Soviet-Hungarian negotiations did not quite shape up to expectations. This was Geza Jeszenszky's view.

Austrian Foreign Minister Alois Mock replied to this question: It is a completely false assumption for somebody, anybody, to talk about a power vacuum in Central and Eastern Europe. Security problems in Europe existed at a time when two excessively armed military blocs were facing each other. [passage omitted]

Today, freedom and the right to self-determination reign on the continent and constitute the weightiest guarantee for the maintenance of European security. I grant that serious problems, ethnic conflicts exist in our region but these problems—believe me—may be solved under any circumstances, while at the same time they are negligible in comparison to those problems that existed before 1989, Alois Mock said.

### News Conference Held on Talks

*LD0504191691 Budapest MTI in English 1708 GMT 5 Apr 91*

[Text] Budapest, April 5 (MTI)—Relations between Hungary and Austria have entered a qualitatively new stage following the free elections in Hungary. One sign of this is that wide social strata have joined into shaping the system of political and economic relations of the two countries, while earlier, relations were built mainly through high-level meetings, Hungarian Foreign Minister Geza Jeszenszky said on Friday, at an international press conference following the Hungarian-Austrian foreign ministerial talks.

Discussing the exemplary good relations of the two countries, Austrian Foreign Minister Alois Mock, who is currently on an official visit to Hungary, stressed Austria attaches special importance to intensifying its neighbourly relations with Hungary also after the change in system. There are 1,200 Hungarian-Austrian joint ventures operating at present, with which Austria is the second on the Hungarian market after Germany, and cultural exchanges have also become active on all levels.

Foreign Minister Mock said he is filled with enthusiasm towards Hungary also in view of the fact that its citizens do not leave the country en masse, in spite of the economic and social-welfare difficulties. Therefore, Austria does not have refugee problems in connection with Hungary, which cannot be said of Romania. Foreign Minister Mock said Hungary meets its obligations, and 'takes back' those who flee to Austria across its area. Mock said he believes talks should be held, either in May or June, about preparing an agreement that would set down the obligation of "taking back" those who try to cross the border unlawfully.

The alleged plan, under which Slovakia would ensure the operation of the Gabcikovo power plant by re-directing the Danube, was also brought up at the press conference. Alois Mock stressed he is notaware of such an official decision, however, an action of this kind would be a "cause for serious reflection" by Austria. Hungarian Foreign Minster Jeszenszky added he had met Jan Carnogursky, the deputy prime minister of the Slovak government, on Thursday evening, and Carnogursky reconfirmed there is no unilateral Slovak decision regarding the Gabcikovo power plant. Jeszenszky said talks between the government commissioners are continuing in the matter.

With respect to the Budapest-Vienna World Expo, Austrian Foreign Minister Alois Mock welcomed the fact that, according to information from his host, the Hungarian Government would pass a decision in the matter of the Expo within two weeks.

At the press conference, journalists inquired about the reasons for recalling Peter Zwack, Hungarian ambassador to the United States. Hungarian Foreign Minister Geza Jeszeszky was asked to comment on a Thursday report by the Budapest correspondent of REUTERS, according to which the foreign minister, who is considering the idea of resigning, was preparing a place for himself by recalling the ambassador.

Reacting to "speculation" about himself, Jeszenszky said he very definitely rejects the interpretations related to his activity to date. The information carried by REUTER, whereby the foreign minister would leave the government this summer to become the new ambassador in Washington, has no grounds. In order to disperse guesses that supposed personal conflicts, the foreign minister added: Peter Zwack was his "discovery," and he highly appreciates the work carried out by Zwack as ambassador so far. Jeszenszky did not give details about the reasons for the recall, saying merely: Diplomatic work does not consist of press relations only.

### Meets With President Goncz

*LD0504191891 Budapest MTI in English 1739 GMT 5 Apr 91*

[Text] Budapest, April 5 (MTI)—Arpad Goncz, president of the Republic of Hungary, met Alois Mock, Austrian federal minister of foreign affairs, in parliament building on Friday.

President Goncz said the Hungarian internal economic problems, as, for instance, the lacking infrastructure, the neglected condition of environmental protection, the low level of efficiency in economy, are aggravated by the collapse of the east European market. It is a miracle that economy has not collapsed, and has been able to operate amidst such conditions. Experiences of the first months of the year make him optimistic, the president said, and he is hopeful that the country will be able to implement the economic goals envisaged for 1991. This optimism is strengthened by the fact that the overwhelming majority of the population believes in market economy and its success.

### Meets With National Assembly Speaker

*LD0504192491 Budapest MTI in English 1744 GMT 5 Apr 91*

[Text] Budapest, April 5 (MTI)—Gyorgy Szabad, speaker of the Hungarian National Assembly, met Austrian Foreign Minister Alois Mock, in Budapest on Friday afternoon.

The speaker of parliament outlined the tasks facing Hungary, and noted the country should be stabilized and made more dynamic at the same time. It is encouraging that the country has already created the basic pillars of parliamentary democracy. The most pressing tasks now are to settle property relations, implement privatization, and to enact laws that ensure the free movement of capital.

Foreign Minister Mock showed interest for the probable changes in the Hungarian parliamentary party structure. Szabad said the two major developments of the free Hungarian elections were that extremist tendencies, from the extreme left to the extreme right, were left out of legislature, and social democracy suffered a defeat, which, however, has created some sort of hiatus in the parliamentary structure. This gap should be filled sooner or later, the speaker of parliament said.

### Holds Talks With Antall

*LD0504202491 Budapest MTI in English 1821 GMT 5 Apr 91*

[Text] Budapest, April 5 (MTI)—Hungarian Prime Minister Jozsef Antall met Austrian Foreign Minister Alois Mock, in his office on Friday.

Both sides termed bilateral relations to be good, showing dynamical development, indication of which is that one-fifth of the joint ventures set up in Hungary were founded with Austrian participation.

The exemplary Hungarian-Austrian relations are of stabilizing importance in the region. The strategic goal of both countries is to create a unified European security system, and the Pentagonale regional cooperation, expanded with Poland, takes us closer to the goal, it was stressed.

The Hungarian prime minister informed the Austrian foreign minister about the preparations for the decision of the Hungarian government, expected in the near future, about the World Expo.

### State Secretary Somogyi on Soviet Relations

*LD0704141791 Budapest Domestic Service in Hungarian 0625 GMT 7 Apr 91*

[Interview with Foreign Ministry State Secretary Ferenc Somogyi by Zsolt Szalai in the "World Clock" studio; date not given—live or recorded]

[Excerpts] [Szalai] Mr. State Secretary, you spent three days in Moscow this week. Do you now assess that via these current negotiations the period when a kind of mutual lack of trust and suspicion which was characteristic between the new Hungarian administration and Moscow has now disappeared?

[Somogyi] Yes, even if not as a result of the negotiations, I still think that by now both sides are past the period when they were watching each other with a certain suspicion and handled with difficulty the situation in which the earlier cooperation contacts, frameworks ceased while new ones did not yet develop. By now agreement has evolved, although significant problems exist in bilateral relations, primarily in the commercial-economic sphere. These problems are not the results of political machinations, but objective problems stemming simply from the situation of the two countries. [passage omitted]

[Szalai] Does it represent a problem for you, and for the Hungarian adminstration in general, as to who is really the negotiation partner in Moscow—the union, Gorbachev, Yeltsin, both?

[Somogyi] I think we must carry out our work alongside the second variation for the time being, which means negotiations on issues regarding the entire Soviet Union must be carried out with the Union Government, with President Gorbachev. At the same time, in the practical implementation of these issues the federal republics also play a part. [passage omitted]

[Szalai] How can we stay out of the internal disputes of the Soviet Union? I have in mind not only the Gorbachev-Yeltsin conflict, but the Baltics, Central Asia, and so on.

[Somogyi] I think that if we adhere to our stance to this day of taking every step vis-a-vis the promotion of links with the federal republics which stay within the frameworks of concrete daily cooperation....

[Szalai, interrupting]...and there is no diplomatic relations regarding such a thing. Is it what you have in mind?

[Somogyi] Precisely. Such institutionalized links which then can be easily misinterpreted—possibly even regardless of intentions—as representing interference in Soviet affairs are not being created. These frameworks I mentioned earlier are rather broad because, for example, even from the Soviet side no criticism was leveled against such steps which represent serious political contacts. I would refer here, for example, to the visit by Mr. President Goncz to the Ukraine.

[Szalai] [passage omitted] As far as I know, your visit's aim was the basic treaty regulating Hungarian-Soviet relations. What are those mutual security guarantees which Hungary and the Soviet Union can extend to each other since we are talking about two different powers?

[Somogyi] True, it would not be correct to ignore the differences of size between the two countries. At the same time, the treaty is an agreement of two equal, sovereign countries and, as is usual in international practice, the text represents mutual obligations. This, by the way, does not create problem in itself vis-a-vis the content of the treaty because the two countries' endeavors—namely that neither should carry out hostile activity against the other and/or that it should not permit on its territory others to carry out such hostile activity toward the other contracting party—are shared. A problem is caused by formulation of the concrete text, but I think we will succeed in completing it within the foreseable future. [passage omitted]

[Szalai] Mr. State Secretary, I have the feeling the German foreign minister only puts politely what others have formulated much more forthrightly, namely that Eastern Europe, in its internal disputes, should not count on possible Western help because the jurisdictation of NATO does not cover this, because they do not want to iritate the Soviet Union, and so on. By the way, there is ambition on the Soviet side too that, if possible, East European countries should not join any Western-type integration. What do you think? Is this also a part of some kind of attempt at prevention?

[Somogyi] I think that is a rather pessimistic interpretation of what German Foreign Minister Genscher said. I would start by saying we need not be dissuaded from applying for NATO membership because we did not think of the Warsaw Pact's abolition as if, directly after it we were to have sought our security guarantee in NATO. [sentence as heard]

[Szalai] There was such an idea after all. Let us just leave it there.

[Somogyi] Naturally, every kind of idea surfaced. For example, we even wanted to be neutral. Thus, I would speak now about the official stance. I think that in the given situation when a new European security structure is evolving, about which Mr. Genscher was also speaking, the most important aspect is that we should find those points to which we can attach ourselves most closely to this evolving security structure, which is based on cooperation. Although even in our judgment the European, Atlantic organizations which have already proven their viability will play a very serious role in this new security system, it is not unconditionally necessary to be a NATO member, for example, for Hungarian security to also enjoy its beneficial effects.

What do I have in mind? Security policy cooperation which is getting richer in its content, a partner relationship whose buds have already appeared can, in themselves, be a kind of indirect support making Hungarian security policy endeavors prevail.

As for the Soviet stance, I would not put things in as general a way as to say that it opposes or is dismayed by our joining any European integration. Indeed, there are reservations about a possible NATO membership, but as I have said earlier, that is not on the agenda on our side, either. [passage omitted]

[Szalai] Mr. State Secretary, I am aware of the diplomatic considerations and UN resolutions, but even from a humanitarian point of view the situation in which the alliance first encourages various Iraqi opposition forces to rise against Saddam, then watches them slaughtered, and then helps the refugees, the survivors, is intolerable. It is simply depressing. What is your view?

[Somogyi] Indeed, human tragedy fills with sadness—under any circumstances—all those who follow these developments attentively. It is also true there was full international consensus that there had been a successful international unity, but still I think it would have been much better that this international unity had succeeded in preventing the outbreak of war. Still, I think the United Nations did what it could be expected to do—namely, to solidify the present state of affairs as possible and it is this to which the last session of the UN Security

Council refers, that via international pressure it should end the atrocities against the Iraqi population.

[Szalai] It is precisely that opportunity, the removal of Saddam from power by the alliance forces—and thus this whole thing would not have occurred—that was missed I well understand there are other political considerations.

[Somogyi] Naturally, after the event, we can philosophize whether it was correct to end then and there the military maneuvers. There are differences of views even among U.S. leaders, but we now must calculate with a given situation and it is the most effective possible handling of this situation in the interest of which we must take steps. [passage omitted]

## FIDESZ Official on By-Elections, Democracy

*AU0504171391 Budapest MAGYAR NEMZET in Hungarian 2 Apr 91 p 8*

[Interview with Gabor Fodor, parliamentary representative of the Federation of Young Democrats, by Janos Desi on 30 March; place not given: "Disillusion and Its Dangers"—first three paragraphs are MAGYAR NEMZET introduction]

[Excerpts] There is great disillusionment in Hungary these days; however, that is hardly surprising. With the difficulties inherent in restructuring, many people were bound to become uncertain. A few demagogues might try to stir up the crowds, but the overwhelming majority of citizens does not let itself be influenced by such agitators. Gabor Fodor, a founding member of the Federation of Young Democrats [FIDESZ], is, therefore, optimistic, and he is also pleased to see the results that have been achieved in certain sectors of the economy. The Hungarian roller coaster will eventually start on its slow ascent. We just have to hold on somehow until we get there. [passage omitted]

[Fodor] Three years ago [the FIDESZ was founded on 30 March 1988], just like everyone else, did not think that the Communist regime would crumble so quickly. The system was already visibly eroding, but we thought that it would take five, 10, or maybe even 15 years before any serious changes came about. The FIDESZ was originally founded as a youth organization, and its great achievement was to break the allegedly unshakeable triad of the party state—one party, one trade union, and one youth organization. A handful of FIDESZ members thereby contributed to the shattering of the state authority of that time. The FIDESZ represented expert opinions, as it still does today. When we were summoned to the police station, to the public prosecutor's office, or anywhere else, we always stated that we had created our organization in a legal way. This astounded the authorities because they had generally been used to subordinate behavior until then. We have kept our legal approach to this very day. As I see it, the founding of the FIDESZ was also important because it gave a new significance to the opinion of young people. Society's view of young people has changed a little bit, and the FIDESZ may have influenced this development. We proved that young people could also be prepared and bright, perhaps even wise. As recently as three years ago, "young" writers or movie directors were at least 40 years old. In Hungary's gerontocracy, young people were generally pushed out to the periphery, but this has now changed to some extent. [passage omitted]

[Desi] Over the last 36 months, many things have changed in Hungary, including the FIDESZ. For example, I do not think that the FIDESZ is a youth organization any more.

[Fodor] There has definitely been a generation change. At the local elections, a clear majority of our candidates were over 35 years of age. The FIDESZ is no longer a youth organization; it is one of the six parliamentary parties, and its special characteristic is the fact that it has numerous young members. [passage omitted]

[Desi] Presumably, all around the world, the turnout at a by-election is always lower than at a general election, simply because less seems to be at stake. The fact that an astonishingly small number of people took the trouble to vote in the last by-election, however, must be an indication of something (even if it happened to be a sunny picnicking day.)

[Fodor] People are generally disillusioned in politics. I see this as a dangerous development, although the situation is not as dramatic as some people would have you believe. We must have suspected that Hungary's transition would not be a triumphal procession all the way. We could probably predict that the first years of democracy would be difficult for many people. Some people cherished illusions, thinking that everything would be all right after the free election—well, most of these people are disappointed now. The people who made innumerable impossible promises during the electoral campaign are also responsible for the creation of great hopes. That is why many people now think that there is no point in being politically active, that there is no point in voting, because nothing will change for the better anyway. This tendency might not be tragic, but it may become dangerous.

[Desi] When could it become dangerous?

[Fodor] Things could become dangerous if demagogues were to appear on the political scene, trying to exploit the country's disappointment. Incidentally, this disappointment was inevitable; any party in power in Hungary would be facing a very difficult situation. If such demagogues were to appear—we have seen examples of this in history—they could drive tens of thousands of disappointed people wild with all sorts of stupid promises, they could even encourage people to demonstrate for wrong causes. That is why we have to be very careful. Right now, I do not see any danger of tens of thousands (or hundreds of thousands) of Hungarians supporting some unpredictable demagogue; however, there are

always people who try to exploit a disillusioned atmosphere. That is why I find it dangerous when the sensible majority does not turn out to vote, because under such circumstances, a few hundred votes may lead to the election of a representative with whom the majority would disagree.

At the same time, people's disappointment also reflects reality. Indeed, we have almost touched rock bottom; however, this is like a roller coaster: We will reach the bottom, and then, the only way will be up. The more people get on this roller coaster, the faster we will start on our ascent. [passage omitted]

We have to see quite clearly the dangers that the present situation could entail, but it would be a mistake to believe that hundreds of thousands of people are going to adhere to extremist ideas, and that fascism and anti-Semitism will rage. Thank goodness, that is not what the situation is like at the moment. At the same time, we must not delude ourselves by ignoring the existence of a few hundred fascists and anti-Semitics. There are fascists and anti-Semitics all around the world; however, my experience tells me that most people are not fooled by cheap demagogy. Our citizens are far too sensible to fall for such talk. I also look optimistically on the future because Hungary has achieved some positive economic results lately. For example, during the first two months of 1991, we succeeded in obtaining a foreign trade surplus. There is fighting in the political arena, but at the same time, things are starting to move in the economic sector. This progress can greatly be attributed to small businesses. If we look several years ahead, I am optimistic. At the moment, we are experiencing a severe crisis. We have to survive this period with a lot of common sense and wisdom, until the stage where we start ascending.

[Desi] At the end of last week, the FIDESZ suggested that the parliamentary parties should immediately start discussing the country's most burning political issues. The FIDESZ informed the press about the details of this concept at a news conference. However, I fail to see the urgency of these negotiations, given that the six main parties meet every day in Parliament.

[Fodor] In the National Assembly, we discuss legislative matters, we have to pass bills. We have no time to elaborate our basic concepts.

[Desi] As far as I can remember, other parties—including the Hungarian Socialist Workers' Party and the Hungarian Socialist Party—have suggested similar negotiations in the past.

[Fodor] Naturally, we were not the first people to think of such negotiations. The novelty of our proposal is the fact that we have elaborated some very precise details. In my mind, the important question is not whether it was the FIDESZ or some other party that made this proposal; the important thing is for politics to break out of this stalemate.

## MSZP Rejects Proposed Six-Party Talks

*LD0504214191 Budapest Domestic Service in Hungarian 1600 GMT 5 Apr 91*

[Report on news conference by Zoltan Gal, parliamentary faction leader of the Hungarian Socialist Party; place and date not given]

[Excerpts] Unlike the Christian Democrats, the Socialists [Hungarian Socialist Party—MSZP] do not support the proposal for six-party talks by FIDESZ [Federation of Young Democrats], but the forming of some kind of a preliminary coordinating forum. Peter Szorenyi attended the MSZP news conference.

[Szorenyi] This proposal has the smell of a pact to it. This is how Zoltan Gal, parliamentary faction leader of the MSZP, appraised the initiative by FIDESZ. [passage omitted] The MSZP does not agree with the proposal and they reject it. Deputy Chairman Imre Szekeres justified their decision in the following way. Imre Szekeres said that it would be more useful if the opposition held talks with the governing parties with the participation of the employers and the employees. In this formation, the government's responsibility would not be lost. Nevertheless, according to the MSZP, the six parties should hold preparatory talks, at which they could reach agreement on speeding up economic and social legislation.

## Military Officials View Cooperation on Defense

*LD0604220391 Budapest Domestic Service in Hungarian 1400 GMT 6 Apr 91*

[Interview with (Robert Pik), adjutant general of the president of the Republic, and (Mihaly Boeti), deputy state secretary at the Defense Ministry, by Laszlo Szente; place and date not given; from the "168 Hours" program—recorded]

[Excerpts] [passage omitted] [Szente] What is cooperation like between the military office of the president of the Republic and the Defense Ministry?

[(Pik)] The military office is not invited to the meetings of the Defense Ministry leaders, where the really big issues are decided.

[Szente] How can this be? Should there not be some kind of prior coordination when, for example, the Hungarian Republic's defense plans are being prepared, which in the last resort are approved by the president of the Republic?

[(Pik)] It ought to be necessary for us to be able to inform the president and to be able to have a say to expound the president's opinion regarding the plan of the armed defense. Up until now, however, this has not happened.

[Szente] Lieutenant General Lorincz's justification for his resignation was that the Defense Ministry, in his view, is striving to obtain those spheres of authority that

presently belong to the Army's command and the president of the Republic. Did you, as the president's adjutant general, for instance, have no notion of this at all?

[(Pik)] I did not know. What I knew were the basic principles of Hungarian defense, which were sent by way of information to the president of the Republic. This was the document that I was acquainted with. As for the plans that would have led to their implemention, that we did not know about, since we were likewise not present at the leadership meeting that was held, I believe, on 13 March.

[Szente] Since the plans did not result in a rule of law, that is why, in the end, the president did not accept the lieutenant general's resignation.

[(Pik)] The other way around; since the rules of law do not guarantee these plans coming into force, that is why the president did not accept Kalman Lorincz's resignation.

[Szente] (Mihaly Boeti), deputy state secretary of the Defense Ministry, you are in the fortunate position of having heard (Robert Pik's) statement just now, so you are no doubt ready to respond to it. First, let me ask you if the NEPSZABADSAG report is correct. In other words, does Lajos Fur indeed intend to turn to the constitutional court?

[(Boeti)] I cannot speak in the minister's place about his intentions. What I can say is that this possibility at all events is open. Among the president's authorizations as commander in chief in times of peace is the approval of the implementation plan. It is not laid down in detail by any rule of law, any legal source, whether the president, as commander in chief, has any peacetime activity spheres of competence, and if so, what they are.

[Szente] What kind of implementation are we talking about? In other words, I do not know what is covered by the expression.

[(Boeti)] The Army's implementation plan is that strictly secret document package that relates to what tasks have to be performed by the Hungarian troops in the interest of the country's defense in an undesired acute war situation. It is not a question of some outside danger rendering this urgent, but of the permanent peacetime state of readiness. One of the authorizations of the president as commander in chief in peacetime is the approval of this plan. Every time the plan is amended, it has to be submitted to him anew each time. [passage omitted]

My opinion is that the military staff, the military professional organization of the president as commander in chief, is the general staff. This is laid down item by item in the event of war. Working back from this, my conclusion is that if the president requires military professional information and clarification in peacetime as well, then basically he has to turn to the military supreme leadership—that is, the general staff or to the Hungarian Army's command, which now contains the general staff. It follows from all this, in my personal view, that the military office, whose leader is Colonel (Pik), is not invited to the process of the decision preparation because this organization is not laid down anywhere in any legal source whatever. [passage omitted]

[Szente] Are these uncertainties of interpretation connected with the concrete plans which in the last resort recently moved Kalman Lorincz to resign?

[(Boeti)] Those plans that are presently on the table, so to say, and in the phase of discussions, as the joint work of the general staff and the ministry, are, according to our conviction, within the frameworks of the fundamentals of the present law.

[Szente] Is the point at issue, in concrete terms, that, at the request of the defense minister, the general staff has drawn up certain plans relating to the future structure of the army and that, quite simply, the Army's command was left out of these plans? [passage omitted]

[(Boeti)] The existing Constitution declares that the government directs the Armed Forces. The likewise prevailing defense law, on the other hand, states that the commander determines the organization. Now, precisely here is a question of interpretation—namely, whether in this case this area is excluded or not excluded from direction. [passage omitted]

## Defense Ministry Official on Recent Issues

*AU0704154391 Budapest NEPSZABADSAG in Hungarian 3 Apr 91 pp 1, 5*

[Interview with Erno Raffay, political state secretary at the Defense Ministry, by Peter Vajda; place and date not given: "There Is Need for a Compromise"—first paragraph is NEPSZABADSAG introduction]

[Excerpts] Erno Raffay does not appear in the press too often. In an interview for NEPSZABADSAG, he expressed his opinion about the Lorincz-affair, the Trianon memorial, and other issues.

[Vajda] Mr. Raffay! What is your opinion about Lieutanant General Kalman Lorincz's recent request to resign?

[Raffay] My private opinion is that I came to know Mr. Lorincz as an able leader and a correct man. Naturally, one has to know the background of this affair. We are talking here about the Constitution, the Defense Law, the relations between the government and the Army, and the president's authority as commander in chief. This last issue is stipulated in the Constitution and, as such, it is unquestionable. In other words, there are many different factors here that should be considered by the government, the opposition, and the National Assembly alike. [passage omitted]

[Vajda] Mr. Raffay! What are your relations with the press? Why were these relations strained? Who is to blame?

[Raffay] A series of critical articles appeared in the press before I became a state secretary and in the months after it. I did not answer any of these accusations. Many articles attacked me in connection with affair of the Trianon memorial. I tried to find out where I made the mistake and what things I should have done differently. Let me refer to one of the attacks: I had no idea that a Mussolini-quotation and Miklos Horthy's hand were there on the planned restoration of the Trianon memorial. I had no idea of these things when I accepted the role of some sort of chief patron and honorary chairman of the board of trustees in charge of studying the whole matter and presenting proposals. I can now tell you that I would not have agreed to have a Mussolini quotation or Horthy's hand included in that monument. At the same time, it was rather difficult for me to bear accusations, made even by parliamentary deputies, according to which I was a "Hothyist fascist." [passage omitted]

[Vajda] You said you had considered all your mistakes; does that also include the Kalashnikov affair?

[Raffay] This was not so much related to a person; however, I was one of the signatories. I also have a slightly different idea about this affair. A dangerous civil war situation emerged in Yugoslavia, a country currently changing, with its republics demanding greater independence. I might be mistaken, but today I tend to agree with the Croatian politicians who said what could have happened if Hungary had not sold Kalashnikov-machine guns, together with several other Central European countries; I repeat: with many other Central European countries.

[Vajda] Mr. Raffay! You stressed this so much that one would think you know something.

[Raffay] Yes. I read NEPSZABADSAG, and I could also mention the names of different countries.

[Vajda] What would have happened in the aforementioned case?

[Raffay] In that case, it is imaginable that the ultra-leftist, Serbian-led, and Greater Serbia-oriented people's army would have acted against Croatia's efforts at independence. [passage omitted]

## SZDSZ Economic Expert on Privatization Program

*AU0704204491 Budapest MAGYAR HIRLAP in Hungarian 4 Apr 91 pp 1, 9*

[Interview with Marton Tardos, economic expert of the Alliance of Free Democrats (SZDSZ), by Sara Pogany; place and date not given: "Only a Speedy Ownership Modification Will Bring Change"—first paragraph is MAGYAR HIRLAP introduction]

[Text] Opinions differ on whether or not Hungary's political change of regime has laid the foundations for an economic change of regime. The passing of fundamental economic laws is taking its time, social dissatisfaction is growing, people are increasingly afraid of poverty, they are worried about the precariousness of their existence. We asked Marton Tardos why Hungarian citizens are impatient.

[Tardos] Because of the drastic drop in Hungarian living standards—both present and predicted—people have lost the confidence that they had invested in the government. Over the past few months, the government has worked inefficiently; in trying to establish a market economy, its results have clearly been unsatisfactory. The only praiseworthy development has been the learning process initiated by [former Finance Minister] Ferenc Rabar and continued by Finance Minister Mihaly Kupa, whereby problems have gradually been recognized and taken into account. Citizens cannot sense all that, however. A change could only be brought about if the privatization program were introduced as soon as possible, and on the largest possible scale. Privatization is the key element that will determine whether in 15 or 20 years' time, Hungary will have joined the ranks of other developed Western countries, or whether it will have sunk to the level of Mongolia.

[Pogany] Taking the dockyard island example [complicated privatization of dockyards on Danube Island], some people are concluding that the government does not really want a broadening of Hungary's privatization program. Would you agree with that point of view?

[Tardos] I believe that the government is serious about its privatization program. It is also a fact that this requirement largely only appears in rhetoric. At the same time, we must not forget Hungarian citizens' aversion to privatization. The Alliance of Free Democrats [SZDSZ] only recently discovered that Hungarians are averse to bonds. They have a bad experience with bonds. Many Hungarians could tell you the story of how their grandfathers lost the family fortune during World War I because all the money had been invested in securities—not to mention the peace loans and plan loans of the Rakosi era. As it happens, a privatization scheme cannot be carried out without bonds. Bonds are needed for the transformation of large enterprises, insurance companies, and pension funds, as well as for the new tasks of our self-governing bodies. In connection with the compensation bill, it was not a coincidence that the SZDSZ suggested that everyone—not just former owners—should receive property checks [vagyonjegy], as a civic right. Thus, each individual could decide what to do with that check. This would be a way of encouraging ordinary people to take business risks and chances, to learn the law of the jungle that prevails in capitalism, where not everybody fares equally well because there are poor

people and rich people. During an interim period, however, to avoid a social explosion, it is the government's responsibility to somehow influence and regulate the speed and extent to which a small section of society prospers and larger circles become impoverished.

[Pogany] It is easy to agree with the concept that citizens should not learn how to deal with securities at a seminar; however, to what extent does the state help our citizens in their learning process? Indeed, during the debates concerning the compensation bill, we found out that commercial banks did not really intend to incorporate compensation checks [karpotlasi jegy] into their business philosophy, for want of funds.

[Tardos] Through market means, banks and other institutions can be encouraged to set up investment societies and firms to distribute bonds and compensation checks, which can then be used for privatization purposes. There are financial methods to regulate the evaluation of compensation checks. I hope that the government is working on the elaboration of such methods, because if it fails to present any appropriate methods, I do not think that the government will take on the collapse of Hungary's securities market and land market.

[Pogany] It is difficult to foresee the kind of compensation bill that will eventually be passed, or the time of the actual ratification. If the detailed discussions on the compensation bill come to a deadlock, however, then there is no point in continuing with the detailed debates on the concession bill. Indeed, the land ownership issue has not been clarified yet, either....

[Tardos] Apart from a final settlement of the compensation issue and a passing of the land bill, we definitely also need a concession law. Personally, I think that the concession bill will be passed, sooner or later. Nevertheless, it is true that we still need a law on Budapest and on the wealth and property of our self-governing bodies. If these problems remain unsolved, there will be great disappointment, even among the people who think that the passing of the concession bill will enable us to organize the 1995 World Exhibition.

## Skubiszewski Addresses Sejm on U.S. Trade Treaty

*LD0504123391 Warsaw Domestic Service in Polish 0908 GMT 5 Apr 91*

[Speech by Foreign Minister Krzysztof Skubiszewski at a session of the Sejm in Warsaw—live]

[Text] Mr. Speaker, may it please the house. The Council of Ministers, at a meeting on 5 March of this year, decided to request the Sejm to agree on the ratification of the treaty on commercial and economic relations between the Polish Republic and the United States, signed on 21 March 1990 in Washington. The treaty falls within Article 32, Letter G, Paragraph 2 of the Constitution of the Polish Republic, because its ratification will entail the need to make certain changes in legislation. For this reason, the Council of Ministers has presented to the Sejm the draft of an appropriate ratification act. Regarding changes in legislation, the coming into force of the treaty will require amendments to three acts: first, the 1926 act on combating dishonest competition; second, the 1952 Copyright Act; and third, the 1972 Inventions Act. In addition, it will be necessary to issue a new act on the protection of integrated circuits. Regarding content, the treaty belongs in the economic sphere. It was negotiated by the Ministry of Foreign Economic Cooperation, not by the Ministry of Foreign Affairs. The Council of Ministers has enjoined me to represent its position to the house.

Of course, the correct ministry insofar as the substance of the agreement is concerned is the Ministry for Foreign Economic Cooperation and possibly other economic ministries and departments. I will summarize briefly: On 18 May 1990, not quite two months after the treaty was signed, the minister for foreign economic cooperation requested the minister of foreign affairs to present the matter of ratification before the government for deliberation. We did so, but afterwards work continued on determining the position of the economic ministries and on the economic justification of the proposals. The ratification procedure was therefore begun within the sphere of the government. The treaty has found its way to the Sejm almost a year after being signed. This is a delay. It also remains a fact, however, that Prime Minister Jan Krzysztof Bielecki's government, only a few days after it was created— on 16 January of this year—took up the matter of ratification and acted quickly, for toward the end of the second month of its existence, it took the treaty to a meeting of the Council of Ministers and decided to ask for ratification. I add that the United States has already ratified the treaty in December of last year.

During President Lech Walesa's recent stay in America, both U.S. President George Bush and Secretary of State James Baker, as well as representatives of industrial and commercial circles, pointed to the delay in ratification by Poland.

May it please the house, what are the government's reasons for asking for agreement to ratification? The treaty has primarily an economic dimension and economic significance; but it has to be remembered that it is a part of a larger whole; namely, the new Polish-American cooperation, which is closer than ever before. This new cooperation is expressed by the declaration on relations between the Polish Republic and the United States of America, signed by the presidents of both states on 20 March of this year in Washington. Both states are striving together to maintain stability and security in Europe. Security, let us remember, has its important economic side. The United States declares that they attach great importance to the consolidation and safeguarding of democracy in Poland and to Poland's independence.

Polish-American relations have entered a new era of cooperation and partnership. This new partnership is to be developed in different ways. Words I have used here are not just the expression of the Polish standpoint only: They are taken from the Polish-American declaration. This is the joint basis for both countries. The United States usually does not sign such declarations with other countries. They have done so with us, and this is our great step forward toward the strengthening of our links with the West.

During the Washington visit, we heard assurances that the United States is interested in the success of the Polish reforms. The decisive role played by the United States in the 50-percent reduction of the debt Poland owes the states belonging to the Paris Club is concrete proof of such a standpoint. In reality, the United States went much further by adopting the level of 70 percent.

During the Polish visit, President Bush announced new initiatives that would facilitate U.S. business entering Central and Eastern Europe. He announced the broadening of free trade with Poland, as well as granting technical aid. Therefore, certain new trade opportunities are being opened; there are concrete hopes for the increase in our export quotas concerning such goods as textiles and steel products.

May it please the house, the aforementioned Polish-American declaration refers separately to the treaty being considered today. The references to the treaty in the declaration confirms the view that it has to be seen in a broader backdrop of our cooperation with the United States. The treaty should make it easy to take concrete steps in supporting and developing the network of bilateral economic and fincancial links, and especially investment projects.

The treaty creates a system of guarantees, incentives, and legal simplifications for the development of bilateral economic cooperation. Of course, the government keeps the great differences of the economic potential of Poland and the United States in mind; nonetheless, the treaty creates premises for U.S. capital and firms to enter our economy. The main part of the treaty, in fact, comprises the norms for supporting and protecting investment. The sides grant each other national treatment and the most favored nation

clause. [sentence as heard] The treaty also includes regulations that go beyond the traditional content of agreements on supporting investment. These are regulations governing the protection of industrial and intellectual ownership rights. In modern international econmic relations, this protection has assumed a key importance.

I would indicate here once again that the treaty is a part of the new regulation of relations between Poland and the United States. One element of this regulation is Poland's constantly increasing access to technologies and products hitherto under embargo and on the Coordinating Committee for Multilateral Export Controls [COCOM] list. Poland's direct and indirect gains here are and will continue to be considerable. We have to remember at the same time that we, as a partner—and I stress the word partner—can no longer resort to methods used in the past when obtaining technologies by various, sometimes doubtful means, enabling one to get around bans and the law. A logical consequence of the new situation today, which also results from the input of good faith by the sides in the treaty, is the guarantee, on the one hand, of access to the partner's market and, on the other, protection of the assets of the producer or designer.

May it please the house, asking for agreement to the ratification of the treaty, the government is fully aware of the burdens that result or may result from the new regulation, particularly for the State treasury. We are talking here in particular about incurring payments for using American ownership of nonmaterial goods. This must be seen in the proper proportions, however, and linked to everything which, by force of the treaty, brings either gain or liability. Regarding the patent issues, the influence of the treaty will become reality after some time, after several years, that is, when our economic reform—we hope—will have been considerably advanced, and our distance from the new standards will be smaller than today.

I also see possibilities for discussing jointly with the American side various difficult matters that may arise while the treaty is being implemented. The implementation of the treaty must be in keeping with its spirit and letter, but at the same time both sides may take into consideration, in keeping with economic reality, what transpires from this reality, and with a flexible approach.

The treaty should be ratified. I must stress that businessmen in the United States will not understand why Poland should defer the treaty after the reduction of the debt and announcements of other simplifications in the whole breakthrough in Polish-American relations. In the interest of Poland, in the interest of the implementation of the basic goals of our foreign policy, I hereby ask the esteemed chamber to ratify the Polish-American treaty on trade and economic relations. Thank you, Mr. Speaker.

## Responds to Deputies' Questions

*LD0504172691 Warsaw Domestic Service in Polish 1135 GMT 5 Apr 91*

[Remarks by Foreign Minister Krzysztof Skubiszewski in response to questions by deputies at the Sejm session in Warsaw—live]

[Text] Madame speaker! May it please the house! I understand that on many economic issues, the statement by Minister Ledworowski more than once stressed that this is the correct ministry for this treaty [on commercial and economic relations with U.S.]. I shall concentrate on more general matters that involve more than just economic issues, but which are important for this treaty - and also for other treaties.

The first observation—this was pointed out by Deputy Oleksy—concerns the delay in making the treaty public. There was no delay. Every international treaty reaches the Sejm at the appropriate time, and then it is shown to the deputies. That is the way this is done. If for one reason or another a deputy wishes to become better acquainted with the matter, the doors of the Ministry of Foreign Affairs are always open.

Deputy Oleksy, Deputy Ziolkowska and Deputy Pawlak asked why everything was going so slowly: The government quickly signed the treaty and then there was a slowing down and a lull. There was no slowing down, nor was there a lull. Less than two months after the signing of the treaty, there was a proposal from the minister of foreign economic cooperation—that is, on 18 May 1990—made to my own ministry that there should be a meeting of the government to ratify the treaty. We did not make a proposal immediately for the following reason: The Government of the United States wrote to us, in a note dated 26 June, regarding an amendment to Article 3, Paragraph 1 of the treaty. An editorial mistake had crept in, and the matter had to be given some attention. This happens when it comes to treaties. We gave our answer on 13 July and then—after a very short four-week break for the holidays—we were able to return to this proposal. The Ministry of Foreign Affairs prepared our answer on 5 September.

Work on the document took several weeks because it needed not only a legal justification—I may mention here the matter concerning the convention on the rights of children—but also an economic one, and this needed the cooperation of the ministry. Where several elements are involved, everything takes a little longer, but I repeat this was only a matter of a few weeks. Thus we tabled the motion before the government on 22 October, and it was then that the ministries began to submit critical remarks concerning the treaty itself. We would have been ready by the end of the year—that is at the same time as the United States—but for the change of government. The government resigned at the end of November and this, of course, delayed the work. The new government, as I have already said in my statement, took up the matter very quickly—just a few days after being set up. The minister

who is the head of the Council of Ministers had by 16 January taken the matter in hand. In view of the ministries' critical remarks, he decreed that a stand had to be agreed upon. A conference was held on the subject on 8 February, and the ministries withdrew their critical reservations. That is why, on 5 March, the matter was passed on to the government and then continued on to the Sejm.

My ministry's second proposal, made under the new government, is dated 20 February. There was no delay in the matter. I repeat, we were late in relation to the Americans only because we had a change of government and the previous government had to stop work on the matter.

Now the next issue: I shall answer Deputy (?Szaja) in a few words. In what I have said, am saying now, and will certainly return to, there are no repeats of the rhetorical sort which is, I believe, better known to Deputy (Szaja) from the olden days, there is nothing like that in me. The fact that my statement was generalized and sweeping—this was dictated by the parliamentary timetable. I think, however, that I said things that were meaningful.

Of course the government is very glad that Deputy (Szaja), on behalf of his party, supports the ratification. This is very significant and this joy overflows onto all the other lady and gentleman deputies. As I have already said, the ratification of the treaty is very important.

Deputy (Szaja), quite rightly, I am sure—since this is a point which is unclear to many people—asked what it meant in Article 13, this mention of adapting the treaty to political units. Well, this has no meaning for Poland because, in Poland, if a treaty is applicable only to a certain part of the country and not to the whole, that is stated quite clearly. Well, sometimes, quite exceptionally, there is only—and (?that politically)—one region set aside, for example the Upper Silesian Convention from the time of the Second Republic—but let us not go back to that—this [Article 13] is an article that concerns the American states. This expression "political units" concerns the 50 states that make up the United States of America. The important point is that the treaty is applied (?thus) because there is a duality of laws in America: federal law and state law, and in many economic issues the state law is the determinant.

Next, Deputy (?Ropczek) spoke quite critically about the point of the justification that speaks of our interpretative aims. Mr. Deputy, it is a normal thing when applying international agreements that each side attempts such an interpretation, in accordance with the spirit and the letter of the treaty, of course, but there is always some room for maneuver, as would suit it. In a bilateral treaty, this, of course, looks somewhat different and, at the same time, more simple. To achieve a result, such interpretations must be agreed upon. The treaty—in the points that aroused reservations in this room—can be the subject of interpetations made by both sides, which will then eliminate any such reservations. The field is quite open here: This is not a case for unilateral aciton or for bypassing the treaty.

As far as Deputy Pawlak is concerned—and without going into any substantive polemics, because this would belong to my esteemed colleague in the government, Mr. Ledwarowski—I will just answer briefly. It would seem that he is comparing enclosures, or correspondence, or an exchange of letters with the treaty. No! This is all part of the treaty. It just happens that treaties are often compound documents. That which finds itself in enclosures or in letters has the same authority as the treaty, (?which is something that) the document itself states clearly.

And finally, one last point, Madam Speaker, of a more general nature. A question was asked here—more than once I believe—why is the Parliament not informed about agreements in the course of their negotiations, then perhaps there would not be various misunderstandings and criticisms. Yes, perhaps, perhaps there would not be, but I am always ready to speak in Parliament. The fact that I do not speak as often as certain deputies would wish—and I thank them for this wish of theirs—that simply stems from the way Parliament works, but I am ready, I am at your disposal.

Second, whenever possible, I take the floor at Sejm commisions; for example, the German treaty, how the negotiations are advancing, how matters look—and treaties with the USSR regarding the withdrawal of troops and transit, too—the commissions were informed about this. But I must say straight away that both in the commissions and in the plenum it is impossible to say everything there is to be said about the negotiations, because the very essence of negotiations is secrecy, some sort of secrecy, of confidentiality, otherwise there would be no negotiation because our partners would not wish to talk—and neither do we always—at an open forum. So these matters must be taken into account, but I am always at your disposal. I thank the house!

### Skubiszewski Comments on Visa-Free Travel

*LD0404180891 Warsaw Domestic Service in Polish 1550 GMT 4 Apr 91*

[Remarks by Foreign Affairs Minister Krzysztof Skubiszewski on 4 April; place not given—recorded]

[Text] I think today's exchange of notes, which lifts visas between Poland and Italy, Poland and France, Poland and Germany—the great countries of Western Europe—is a major event. It has different sides. In bilateral relations, it improves our relations, I would say; it normalizes them and conforms them to European standards. I must say that this is a result of very long and difficult negotiations. Today we have the happy ending. As far as Belgium, Holland, and Luxembourg are concerned, well, in the nearest future these agreements in the shape of an exchange of notes will also be concluded. If we add here Denmark and Norway, and also soon in the

future Sweden and Finland—we have also abolished visas with Malta—then European borders will be more and more open for Polish travelers. However, I would like to say at this point that we must make use of these possibilities in a civilized manner. The majority of Polish travelers act in such a way after all.

### Visa-Free Travel Begins

*LD0804084791 Warsaw Domestic Service in Polish 0700 GMT 8 Apr 91*

[Text] An agreement on visa-free travel between Poland and Germany, France, Italy, Belgium, Holland and Luxembourg went into effect at midnight. According to reports in the German press, in border towns along the Oder [Odra] River there was an atmosphere of tense expectation; residents of border areas are fearing the flood of Poles. At the Swiecko border crossing, about 300 people and 100 cars were waiting yesterday afternoon. The first people wanting to cross the border without a visa had arrived already on 3 April.

The Polish side has made special arrangements to ensure speedy and efficient clearance of travelers.

### Experts Say Former Soviet Base Radiation-Free

*LD0504144991 Warsaw PAP in English 1329 GMT 5 Apr 91*

[Text] Pila, April 5—Polish experts inspected the area evacuated by a special unit of the Soviet Army in Sypniewo, northwestern Poland, and found no radioactive contamination of the military objects. Specialists also took samples of local water, soil, dust, and the surfaces of the examined objects for analysis. The results will be known two weeks from now.

### Two Soviet Bombs Discovered in Scrap Heap

*LD0604183491 Warsaw Domestic Service in Polish 1400 GMT 6 Apr 91*

[Text] Two Soviet aerial bombs were taken away today from the scrap-metal yards in Chojnowo by a special assault engineers unit of the Soviet Army. The bombs were discovered during the loading of scrap iron destined for Silesian steelworks.

Both bombs were armed. According to police investigations, it seems that the bombs were probably sold as scrap—by whom, however, is still not known.

### Debt Converted to Environmental Protection Fund

*AU0604203591 Warsaw ZYCIE WARSZAWY in Polish 2 Apr 91 pp 1, 2*

[Krzysztof Walczak report: "Debt Converted to Save the Environment"]

[Text] President Bush's decision to write off 70 percent of Poland's debt—part of which is to be transferred to a special environmental protection fund—signals the first significant implementation of ecology protection in Europe. By so doing, the Americans have shown their approval of the Polish Government's memorandum proposing that part of the written-off debt be allocated for environmental protection purposes.

If the United States Congress supports President Bush, approximately 10 percent of the $2.6 billion debt will go to a trust fund, the aim of which is to finance various environmental protection programs of international significance in Poland.

The Americans are no longer demanding the repayment of this money and are expecting Poland to pay it into the trust fund. Either way, the money has to be accounted for in the state budget (it appears in the foreign debt servicing account), with the difference that it will now be spent in Poland.

The Americans have thus gone further than the Paris Club in their support for the Polish Government's memorandum proposing the conversion of part of the Polish foreign debt into a fund for environmental protection. The memorandum, signed by Maciej Nowicki, minister for environmental protection, natural resources, and forestry, was sent to Poland's creditor nations at the beginning of March 1991. The memorandum emphasized that Poland would not be in a position to solve many of its environmental problems that "are causing concern in Europe and the world." To do so, Poland would require a minimum of $1 billion annually. It therefore proposes to transfer this money from the foreign debt servicing account and create an environmental trust fund. Expenditure from the fund would be controlled by an international council and the principles on which finance for environmental protection programs—projects that would have an impact on the whole geographical region and not just Poland—would be worked out on the basis of a multilateral agreement with creditors.

Minister Nowak's memorandum—expressing the Polish Government's thinking—says that Poland is now institutionally ready to embark on environmental protection programs of international significance in 1991.

In practice, this signals a change in the former cautious attitudes of the Ministry of Finance and the Fund for the Servicing of the Foreign Debt. They had expressed fears that the conversion of the debt into an environmental fund could be a factor fueling inflation. Every dollar that is to go to environmental protection, namely, transferred to the environmental trust fund expressed in zlotys, means that Poland must put its own money into the fund. The plan also accepts that creditors will have a say in fund issues and agrees to accept their conditions. In the memorandum, the minister outlines the general proposal for Polish action to protect its environment and maintains that the Polish economy is now able to transfer $1 billion annually from the foreign debt servicing fund to the environmental fund to be used for the

protection of the environment in four main areas: lowering the transnational pollution carried by air; limiting the pollution flowing into the Baltic; lowering the emission of gasses responsible for the so-called "greenhouse effect" and the dangerous levels of global warming; and supporting development programs in regions of rare ecosystems of European significance.

The memorandum points out that Poland has 60 electricity-generating power plants that significantly contribute to Europe's total sulfur dioxide and nitrous oxide emission levels. Poland needs technology in this area to lower these emission levels, but this technology has to be imported and is expensive. The memorandum also states that 10 voivodships in northern, central, and eastern Poland have some of the most outstanding natural ecological habitats in Europe (the Mazury lakes, the Biebrzanski marshes, and national parks).

The international council that is to control the fund is not exclusively bound by the four categories of environmental protection projects that have been suggested by Poland in the memorandum.

The official support that Poland has received from President Bush gives one hope that the Polish memorandum will receive a favorable response from the Paris Club members as well as other creditors. Particularly as almost no other country that has a comparable debt burden is also faced by such enormous environmental problems. In a recent document circulated to Sejm deputies, the Ministry of Foreign Affairs says that the particularly serious environmental situation in Poland many incline its creditors to make a special concession and also says that no other debtor country will be able to count on similar concessions."

The Foreign Ministry document entitled "Current Ecological Tasks of Foreign Policy" states that Professor Jeffrey Sachs is one of the authors of the concept of writing off the Polish debt and creating a special environmental protection fund.

## 'Mass Dismissals', Bankruptcies Anticipated

*LD0404174891 Warsaw PAP in English 1615 GMT 4 Apr 91*

[Text] Warsaw, April 4—Difficult financial situation of many enterprises showing signs of insolvency as well as falling exports to the former communist states and the USSR may lead to the bankruptcy of many industrial plants and mass dismissals of employees, according to the forecasts of the central planning office.

Out of the total number of 17,252 enterprises as many as 552 were threatened with insolvency last December. These enterprises employ some 674 thousand people and can be forced to dismissals in order to survive.

Shrinking possibilities for the export of Polish products to the former communist countries are the most significant reason for this hard situation. In comparison to 1990 these exports were by 57.2 percent smaller in January and February of this year. It is also forecast that the export to the USSR may fall by 50 percent in 1991.

All this can be expected to result in the dismissal of 150 thousand people employed chiefly in the machine-tools industry, the electronic, building and textile industry as well as in transport.

## National Citizen's Commitee Appeals to Walesa

*LD0804002191 Warsaw PAP in English 2025 GMT 7 Apr 91*

[Text] Warsaw, April 7 (PAP)—The National Citizens Committee today appealed to President Lech Walesa and all political forces which emerged from the Solidarity tradition to undertake conclusive steps towards a true break with of all the relics of the communist system.

In a respective communique the Committee points out that the recent weeks have seen a rapidly intensifying consolidation and reinforcement of the post-communist nomenklatura ranks. Expecting to capitalize on the economic hardships resulting from the decades of nomenklaturas own rule it is flexing muscles before reaching for at least some important position in the future Parliament among other things.

While speaking out that "the Republic of Poland is a state of law," reads the communique, "(the post-communists) tend to forget how much of this law is regulations decreed solely to strengthen communist rule and suppress the citizens aspirations for freedom."

The Committee adopted a separate resolution expressing its deep concern over the fact that parliamentary majority ignored public demand for quick parliamentary elections and it called on all Polish people to press on the deputies for holding the elections in early autumn.

The Committee also adopted 8 resolutions demanding quick publication of the truth about the alcohol imports scandal and other similar affairs. The Committee said it would launch its own daily newspaper.

The Citizens Committee asked the Senate (Upper House) to object a constitutional amendment depriving Poles who have not lived in Poland for more than 5 years of their right to be elected. The Committee quoted the example of Lidia Ciolkoszowa, Jan Nowak-Jezioranski, and Zdzislaw Najder.

The next Committee meeting is planned for May 26 to emphasize the originally-proposed date of parliamentary elections which will not be staged on that day.

All today's debate was dominated by the discussion of political, moral, and legal issues of de-communisation.

### Minister Lewandowski on Reprivatization

*AU0804131991 Warsaw PAP in English 2008 GMT 3 Apr 91*

[Text] Warsaw, April 3—Reprivatization will embrace mainly the property taken over by the state illegally after 1944. Former owners will be either compensated for or their property will be returned to them, Minister for Ownership Transformations Janusz Lewandowski told newsmen today, presenting the government's stand on reprivatization adopted on Tuesday.

Reprivatization will cover the property put illegally under compulsory state administration, farm land and forests, drugstores, and the property nationalized under the law of January 1946 for which compensations were not paid.

Separate regulations will be worked out for the property situated in Warsaw and beyond the Bug river (now in the Soviet Union).

The government generally favors compensation in the form of capital bonds, that is non interest-bearing securities which may be used for purchasing stocks or shares in state-owned companies. Former owners should be given priority in buying shares in enterprises which once belonged to them.

Former owners or their successors may submit applications for the return of their property within a year. Only Polish citizens living in Poland will be entitled to do so.

The government's stand and the reprivatization bill will be submitted to the Sejm (lower house) in early May.

The costs of reprivatization are roughly estimated at some 114 trillion zlotys.

### Presidential Reprivatization Proposal Possible

*AU0804132091 Warsaw PAP in English 1605 GMT 4 Apr 91*

[Text] Warsaw, April 4—If there is no compromise between the presidential and the governmental stand on reprivatization in Poland, the president will submit his own draft law to the Parliament. Such a draft has already been drawn up, Jerzy Grohman, who is president Lech Walesa's chief aide on reprivatization, told reporters today.

The general principle behind the presidential stand is that all property which can be returned to ex-owners, expropriated in postwar Poland, should be returned in kind.

The government, on the other hand, would like to restrict the scope of reprivatization and, in particular, of in-kind reprivatization.

According to Grohman, himself a member of a well-known family of industrialists in prewar Poland, of some 16,000 landowners expropriated after 1945 a few thousand could be expected to file claims. However, even if granted, they would receive land from the existing state land fund, and not their actual prewar estates.

Grohman also believes that several hundred industrialists would want to recover their former assets, and notes that only 20 percent of industry was owned by Poles in pre-1939 Poland.

Grohman said he was optimistic about a possible compromise between the president's and the government's stands on the issue still before a draft law reaches Parliament.

However, according to government estimates published today, even its own reprivatization plan, according to which only illegally seized property would be compensated for, could well require more funds than those expected to be generated by income from privatization of state property.

The estimates show that reprivatization implemented according to the government plan would cost some 114 trillion zlotys.

### Prime Minister Pays Working Visit To USSR

*WA0504155591*

For reportage on the 3-4 April visit to the USSR by Prime Minister Jan Krzysztof Bielecki, including his talks with USSR Prime Minister Valentin Pavlov and USSR President Mikhail Gorbachev, see the East Europe section of the 5 April Soviet Union DAILY REPORT and subsequent issues.

For interviews with Bielecki from IZVESTIYA and Moscow Television prior to his visit, see the East Europe section of the 4 April Soviet Union DAILY REPORT.

## FSN Official Queried on Party's New Role

*AU0504115391 Bucharest AZI in Romanian 28 Mar 91 pp 1,3*

[Interview with Vasile Secares, vice president of the Executive Bureau of the Steering Council of the National Salvation Front, by Ileana Coman; place and date not given: "The Reorganization of Romania's Political Forces Has Begun"]

[Text] [Coman] Leaving aside assessments, I think that the very fact that the National Convention of the National Salvation Front [FSN] has taken place is important. Let us try to define this convention and its significance.

[Secares] Indeed, I believe that it is very important that this convention has been held. There was the temptation to postpone it, because there were constantly certain details to clarify and things to be done. Postponement would have had very negative consequences, however. This convention was not just an organizational test or a simple political meeting. It was a key component and event of the political process of clarifying and settling things within the FSN and of establishing its outside links and boundaries. As a matter of fact, everything that happened prior to the convention was interpreted in the light of this process. There was even something like automatic expectations and assessments. At one point there was talk about a "conservative counteroffensive," and the strength of the "reformist wing" was questioned. For political analysts at home and abroad, for diplomatic circles, and the press the convention became more and more serious. This characteristic was not an invention or artificial creation. There are two things to be said in this connection. On the one hand we are talking about the history of the FSN. At the beginning it incorporated a broad range of political-ideological orientations, including positions formally or hesitantly linked to the process of restructuring Romanian society. In Romania we "burnt up" stages and developments soon gained different outlines compared with those in the other Eastern European countries. The fact that we did not opt for "socialism with a human face," however, had consequences for the formulation of political positions. Thus the FSN was faced with the problem of defining the limits of the nostalgic tendency toward "reforming the former system," "preserving its positive aspects," or rejecting "natural leftist options," which were formulated on the basis of the ideas and, in general, on the basis of the psychosocial and cultural heritage of the former regime; the problem of refusing the populist temptation was posed. In the fall the "moment of truth" was reached. People realized that the Front was different from what many people thought. The convention had to accentuate this clarification.

On the other hand, all this is directly linked to the requirements of the new stage that the political process in Romania is now entering. The convention had to connect the Front organically with this process by making it even more clear that this party is characterized by an open orientation toward the future, that all of us are leaving behind certain things, and that we are radically breaking with the past.

By the same token, the convention had to send a clear message about the political position of the Front at the time when this new stage was dealt with.

I believe that we can already say that expectations in connection with this convention—and I am not talking only about us, the Front, but about all the expectations formulated regarding the convention—have largely been confirmed. I stressed this at the convention as well.

Thus, a message was needed on the part of the Front; the Front had to outline and clarify its political message under the new conditions—the current and future conditions. This was largely achieved. Certainly, we cannot say that with the convention the political-ideological clarification within the FSN has been finalized, has ended. Much remains to be done; however, the convention enabled us to deal with problems in a different way. The Front itself has entered a new stage in its history.

At the same time, the convention marks the point at which the reorganization of the Front as a party may begin. Press reports after the convention referring to the fact that the Front wants to be a party in accordance with Western standards stressed: No, the Front was not yet a party! Such an assessment can, undoubtedly, be accepted. The convention was unable to shorten a necessary process and solve all problems in one or two days; it was unable to prepare all the elements necessary to turn the Front into a party. The convention marks the point when the reconstruction of the Front as a party starts. Throughout its post-election crisis, the Front realized that some of its tasks were paralyzed: It stopped fulfilling certain functions and it stopped responding to certain requirements. And from this point of view we have to admit that this process is very complex; we are talking about a genuine reorganization. As a result of the convention, the Front was connected to the new political stage and to the current political situation with its new and different requirements. We could say that once again the Front has acted more rapidly than other parties. The latter are just dealing with the preliminary stages of asserting new options and of confrontation, and solutions will be needed, as will a tangible link to the requirements of the new stage. As for the Front, it has already begun playing its specific role in the new stage.

These are some of the elements showing the importance of the convention.

[Coman] I suggest a parenthetical subject, namely a discussion that took place within both the convention and outside it. It dealt with a certain subordination of the party to the government. Do you not think that this is the—I do not know whether direct is the correct word—consequence of a certain political—for sure political—inactivity of the Front?

[Secares] Yes. I have said so on other occasions, including during the Front's theoretical meeting and regional conventions. Because of the Front's post-election crisis, a number of false links emerged in the system that involved the Front as a party, including relations between the FSN and government, between the ruling political forces and the executive power. The Front's inactivity and inability to formulate its strategy and policy led to such a situation. At this point, however, one can talk about the beginning of a new stage in which the Front may honor its necessary tasks and establish normal relations with the government (or its governments) and with its parliamentary group just like this happens throughout the world.

[Coman] I was saying that we should continue discussing the first stages of reorganization, the beginning of this reorganization. Certainly, first and foremost, things had to be clarified within the Steering Collegium. A number of stages will probably follow to turn the Front into what is expected of it: A strong party that is able to assume not only its ruling tasks, but also its responsibilities as a clearly structured political force.

[Secares] Based on the motion issued—which was supported by the majority in the convention—we now have an outline of a certain political orientation; thus we have a political program that defines the Front within the current context and puts forward its intentions in the coming period. This policy has to be implemented and therefore the necessary instruments have to exist—or have to be created. This is where the reorganization of the Front begins. Starting out from what was decided in the first meeting of the Steering Collegium, our intention is to initiate the process of creating a structure that is capable of assuming all tasks linked to the political, organizational, and leadership activity within the party. We want to outline this point very clearly and to apply its elements in practice as swiftly as possible. Things have changed; action is being taken in a very different way—and this is our message.

[Coman] We also wanted to discuss the question of regional relations, an aspect that—despite its slight weakness—I think, has not had a negative influence, if one may say so, on the activity of the Front; actually, a certain organizational split and a split in political options has certainly existed and still exists.

[Secares] From this point of view, requirements are different now. As mentioned before, as with what happened in the other parties in our country, the Front was organized to function during the election campaign and the post-election period. The demands it had to cope with at that time were different from those it is confronted with today and will have to bear in mind in the future. In that period stress was placed on the requirements of the election campaign and on organizing meetings and so forth: People in the street demonstrate for or against something, slogans are glued to walls and so forth. These are things of the past; now we have to do completely different things. The transition to this new stage found the Front uncovered at the central and regional level. This is why there were completely unfavorable developments in numerous counties. At this time we are also trying to portray a very clear image of what the Front is now: We have to ascertain what the situation is from the point of view of its number of members and number of supporters. Then we have to examine the regional structures in accordance with the requirements of the reorganization process that has been launched. Our intention is to restore natural links, to ensure communication and leadership, that is to seek solutions for all former shortfalls. First, I think that we have to set up a very efficient system of communication, so information may circulate properly between the center and the counties and so that the resource represented by information is a powerful asset in the Front's political activity.

[Coman] I think that the Statute that was adopted at the convention is the Statute of a party that is modern, democratic, and pluralist within itself and at its foundation. In your opinion, what are the real chances for the assertion of—let us say—political minorities within the Front and of the currents that make it up?

[Secares] The Statute that has been adopted explicitly and directly outlines the possibilities for various options, currents, and internal pluralism. There is no doubt from this viewpoint that the Front as a party has embarked on a completely different road compared with the preceding experience of its political organization. I can say that the questions that were raised now, after the convention, in connection with the emergence of minority currents within the Front stem from something else. They stem from the fact that the alternative motion that was expected and discussed in the preceding period, did not surface. This hesitation in defining and self-defining is to blame for the open questions and not the structure that we intend to create. I think there is no impediment to having currents and various orientations within the Front, certainly, on the basis of a set of common values and within the context of common objectives. In my view, this thing is necessary. It is easy to realize that, in fact, the clarification expected from the convention was not completed. Owing to the reflex of "adhering" to the majority orientation, the clarifications we had in mind were not completed. Thus, the motion was endorsed even by delegations that actually held a different position, a case of the "jump on" [English term used: jump on the bandwagon] syndrome.

I should, therefore, say that in the period to come it is necessary to clarify things; we have to continue to say very clearly what the Front is and what it is not. As has already been stressed, very serious delimitations are necessary both to the left and to the right.

[Coman] During the convention you presented—in my view a succinct, precise, and correct—report on the political situation in Romania. It is obvious that a new stage has begun for the Front; however, this new stage is facing things that are new from a political viewpoint.

[Secares] We have all talked of late about a new stage both regarding the Front and political developments in general. In my view we may talk about a time of "spirit level." The first post-revolutionary stage with all its characteristics has ended; this stage was dominated by the fever of overthrowing the dictatorship, the communist system, by electoral confrontations, and by political and organizational improvisations. This stage belongs to the past. I would like to discuss another element, however—namely the fact that the first stage was characterized, on the one hand, by the determination to completely break with the former system and to change the Romanian society from its very foundation; on the other hand, this stage was permeated—even though not always clearly—by a certain fear of the unknown, of what is to come: Do we know what we are doing? Is this the road? Are we competent enough to embark upon this new road? Hence the discussion—especially in the first part of last year—about the preservation of certain top representatives of the former economic and leadership structure, and hence the final emergence of the false problem of cadres: Do we have the right people with whom to achieve this dramatic change in Romania? I believe that the stage that is now beginning has to rid itself of such fear and uncertainty in connection with the road upon which we have embarked out of fear that we do not know what we are doing and that it would be better to constantly look back or to seek solutions based—in one way or another—on former experience. In my view, the new stage is a stage in which construction will prevail and this can be achieved only on the basis of solutions that depart from former mental patterns and by capitalizing on our essential resource: Romanian knowledge and accumulated competence. How we are going to go about it and how we will contribute to this plan has to be established and has to be dealt with intensively in the coming period. In this context, there is one thing we cannot disregard, which I have mentioned before, namely the generation change. It goes without saying that a new political generation is needed; a new generation is also needed to run the economy, reorganize it, and implement the reform. This idea enjoys great support within the Front. We could speak of a race against time: That of rebuilding our country's political, economic, and managerial elite. The FSN has to play a leading role in this process.

I have talked about a new stage also in connection with the following aspect: The reorganization of the Romanian political forces has begun. I think that this process will be a rapid one and it could be that by the beginning of next fall there may be a different distribution of political forces than the current one. The Front has to be prepared for this reorganization of the political configuration and can lose no time in joining this process. We have to concern ourselves with the future situation of the political configuration; we have to be aware of which parties will play a prominent role in the future configuration and of what alliances and delimitations are necessary in this context. Such steps cannot be taken without a serious examination and professional analysis—as it were—of the situation. I have discussed this new stage before and I have emphasized that it will be linked to what I would term the rehabilitation of politics.

Unfortunately, in the wake of the war, policy-making ceased to be practiced in Romania. On the other hand, one can also say that after the revolution politics became an end in themselves and thus politics were discredited. The process of reaffirming politics in real terms was a belated one. At this time we are witnessing a gradual process of the rehabilitation of politics. We cannot reorganize the country in general and we cannot establish its structures, without the rehabilitation of politics, which, actually, means linking the political game to the real structure of social interests and to a certain structure of political interests: In the political sphere, relations between people, between branches and their mutual interaction have to be defined in political terms, in terms of political interests, and in terms of the relative weight of various political factors. I think that this rehabilitation of politics will help us in the coming period to cope with other demands, too, which I mentioned several times, namely the need to create the instruments and means required by Romania to be able to promote its interests in the European game and in this entire process of reorganizing the economic, political, and military structure in Europe, especially in Central and eastern Europe.

Just look what is happening around us to realize what a tough game this is, how important it is to thoroughly examine these things, and to understand what we have to do every single moment.

## PR Wants All Opposition Forces United

*AU0504125391 Bucharest ROMPRES in English 1032 GMT 5 Apr 91*

[Text] Bucharest ROMPRES 5/4/1991—The Republican Party [PR] holds talks with other political formations "in order to unite all opposition forces, to avert the dispersion they are in now," Prof. Ion Manzatu stated to the "CURIERUL NATIONAL" daily, at the same time announcing that the former Republican Party united with the former National Republican Party.

As far as the new Republican Party's stand is concerned, Prof. Manzatu specified that "it is a centre party," and in his opinion and in the current political context "centre means the valences of a political formation to work both with the rightist and with the leftist parties, without renouncing the fundamental requirement of individual and social equilibrium." In our opinion, Mr. Manzatu said, "the individual is the central point of attention who, being stimulated and trained, can become the author of social reconstruction."

## ADEVARUL Appeals Against Censorship

*AU0504114691 Bucharest ADEVARUL in Romanian 30/31 Mar 91 p 1*

[Appeal by ADEVARUL Free Trade Union; place and date not given]

[Text] Esteemed readers,

We are turning to you at this most difficult time for our paper, which we have tried hard to make of service to you and deserve your appreciation. Not even in the days of bloody December 1989, when ADEVARUL was written and printed under fire, has the danger been as great as it is now. Then, the adversary was unknown and perfidious, but at least it operated outside our offices. This time, the adversary is relatively known and still perfidious, but it also operates among our ranks. This adversary is strong as well as dangerous for the entire free Romanian press and for the democratization of the country. It can be seen in the growing tendency of certain elements of the central executive power to subordinate to itself the daily with the largest circulation in the country and to cancel its status of true independence.

There have been attempts in the past to censor the newspaper's contents, aimed particularly at discouraging and even halting (from the outside) critical items about the government's concept and implementation of economic reform, at selecting our collaborators, and so forth. The newspaper has managed to maintain its independent status and has overcome such attempts as the aforementioned ones as a result of the steadfastness of the quasi totality [cvasitotalitatii] of its editorial staff.

Now, the attempt on the daily's independence has taken a new and critical turn. It is more than three months since its employees set up a shareholding company and legal steps were taken to ensure that it would be recognized. Unexpected and obviously ill-intended obstacles kept cropping up all the time. We learned with dismay that all these obstacles were raised by certain government clerks as well as by one of our colleagues—namely, the one we trusted most. We were patient and had faith in the moral and legal virtues of our new society, but we proved to be rather naive. Recently, the final assault on the free status of ADEVARUL was launched with a governmental document—prepared in the greatest possible secrecy—aimed at cementing ADEVARUL as a state-owned publication for good. This document is illegal in content and immoral in the way it has been drafted.

Regarding the serious situation that has arisen, the editorial board employees, members of the ADEVARUL free trade union, decided the following at a general meeting on 29 March 1991:

1. To call on all its readers and the entire public opinion in Romania and abroad for support in countering this dangerous new trend of extending the influence of the executive branch—which is already quite arbitrary—to the life of society.

2. To call for the solidarity of the Society of Romanian Journalists-The Federation of Trade Unions of the Entire Press and the solidarity of international organizations of journalists.

3. To draw the attention of international organizations of journalists—in accordance with the existing practice in the journalistic branch—to the coincidence of the current situation and certain indications of attempts at penetration by transnational press trusts of the Romanian market.

4. To avoid the adoption of abusive decisions regarding the content of the newspaper and the functioning of its editorial board, as well as other risks of a one-man leadership, the trade union demands the creation of a directorate, consisting of five persons with equal responsibilities, which will adopt decisions by a majority of votes.

5. To immediately go on a Japanese-type strike, which will only end when the authorities complete the formalities regarding the creation of the shareholding company of ADEVARUL editors, as was decided by the editors at their general meetings in December 1990 and January 1991.

The members of the ADEVARUL Free Trade Union

## Former PCR Assets Taken Over by State

*AU0504200891 Bucharest ROMPRES in English 1830 GMT 5 Apr 91*

[Text] Bucharest ROMPRES 5/4/1991—The greater part of the property of the now-defunct Romanian Communist Party (RCP) [PCR] has become the property of the Romanian state, says a Ministry of Finance report on the identification and transfer of the former RCP property as on 31 March 1991.

The commission, set up under Decree-Law No. 30 of 1990 and decisions of the Government of Romania to identify and transfer to the state the said RCP property, put the total RCP assets at 43,825.2 million lei on 31 March 1991, up from 40,104.6 million lei as the centralised accounting balance sheets showed on 31 December 1989, states the Finance Ministry's report sent to the press Friday. The difference was due to a detailed stock-taking of the former RCP wealth in the process of its transfer to the state.

In this transfer process on the basis of documents, 32,431.6 million lei worth of property and assets recorded by the financial statement of 31 March was actually settled, with 11,393.6 million lei worth of them being still to be accounted for.

In terms of facts as well as of the final use, the report says, one may say that the greater part of the property of the former RCP was taken over by beneficiaries, but the give-and-take forms have not been completed in all cases so that they may be recorded under assets and liabilities, and deducted in the financial statement. Accordingly in the total sum of 11,393.6 million lei that has not been cleared, investment makes up the larger part—11,046.5 million, lei

of which 9,756.5 million lei is for the House of the Republic and 469.7 million lei for the Olanesti Palace.

The Carpati Central Economic Office administered, besides the ex- RCP financed investment, also state budget investment which was in various stages of execution and totalled 21,091.8 million lei. Of that sum, 10,991.7 million lei worth of investment was transferred to beneficiaries, and 10,100.1 million lei is yet to be transferred, of it, the larger share is held by the House of the Republic, namely 8,286.4 million lei, whose beneficiary is the General Secretariat of Romania's Parliament.

As concerns the gifts and hunting trophies—both domestic and foreign—that are to be found in palaces and villas and have not been recorded in terms of value in the property of the former Communist Party they are being appraised and transferred to museums if they have museum value, or sold at auction with the money going to the state budget, the report says and adds tat the jewels and precious stones were taken over by Romania's National Bank.

The report also shows that personal objects of the Ceausescus, except those already mentioned, will be sold at auction and the money will be put into a separate account to aid the people injured in the December 1989 Romanian revolution and the descendants of martyrs.

The main problems related to the identification of the whole wealth of the former Communist Party and its taking over by the state can be solved until 30 April 1991, the report says in conclusion.

## Iliescu Returns From Moscow, Makes Statements

*AU0604184791 Bucharest ROMPRES in English 1700 GMT 6 Apr 91*

[Text] Bucharest, ROMPRES 5/4/1991—On his arrival to Bucharest, President Iliescu made an official statement to the press on his two-day official visit in Moscow.

"I should like to mention three important moments of this short but eventful visit," begins the statement.

"The most important thing was the signing of the Treaty of Good Neighbourhood, Cooperation and Friendship between our countries, that sets our relations on modern bases, in keeping with international acts and the Paris Charter.

Secondly, the substantial political talks with President Mikhail Gorbachev on the one hand, and with President Yeltsin, on the other hand are worth considering. On the occasion of this visit I had direct contacts with the political leaders of the Russian Federation, in the context of the new prerogatives of unional republics in the context of present evolutions in the Soviet Union. The talks were centered on essential matters and were concerned with the situation in the two countries. We identified many similitudes, we took the conclusion that the democratization of the society and the transition to the market economy presuppose a number of identical processes.

We discussed certain concrete aspects concerning the development of bilateral relations, under the new circumstances, mentioned President Iliescu. We also referred to the difficulties we had to face because of delays in delivering industrial products, for which both countries are responsible. President Gorbachev promised gas delivery to Romania would increase from 8 million cubic meters to 15 million cubic meters daily. The possibility of further increases, up to 20-22 cubic meters daily, will be studied. We also approached the issue of re-organizing the activity of the joint commission on new bases, we insisted and found various forms of cooperation.

We exchanged opinions on the way in which we were going to cooperate in the context of current international problems, of political evolutions in Europe.

I want to specify also the third important moment of my visit. Today, in the morning, I met with businessmen, economists, representatives of financial, banking, economic institutions. We had interesting talks, those present were interested in the processes that took place in Romania, in the economic reform and the legislative measures adopted, in the ways of cooperation to be developed between our two countries."

Speaking of the treaty signed in Moscow, Romania's president concluded: "The treaty we signed is in keeping with international law standards and norms operating in inter-statal relations today."

## Joint Soviet Friendship Treaty Criticized

*AU0504192791 Bucharest 22 in Romanian No. 12 29 Mar 91 p 1*

[Andrei Pippidi article: "Of Our Own Accord and Without Constraints"]

[Text] For those who are still asking themselves how democratic and devoted to national interests Romania's current leadership is, the clearest answer is the news about a Romanian-Soviet treaty spontaneously pulled from his sleeve by the juggler. In this respect, a simple and unannounced visit by the minister of foreign affairs to Moscow was enough. Summoned to the Kremlin, the man who is responsible for our foreign policy hurried upon the first call to be there before other former vassals, none of whom will—doubtlessly—follow suit. On the contrary, under these conditions it remains to be seen whether the Eastern European alliance can still be set up, which—we are told—has thus begun. Hardly has the

high command of the Warsaw Pact been dissolved when Moscow's requirements—viewed as unacceptable in Prague for instance—are met exactly by the Romanian Government, the only one whose duty it should have been to remember the existence of a dispute with the USSR. If so far demands that Romania protest the German-Soviet accord of 1939 were unrealistic, it is an even more serious matter that—after the rigged referendum—our country should so easily agree to a declaration that sanctions the current situation of our borders. In fact, here we have two elements that will cause a sensitive reaction by the public and will make even the partisans of the post-revolutionary regime ponder it.

First, who is entitled to speak on behalf of Romania in this connection? In accordance with the draft constitution to be endorsed by the Constituent Assembly, the Parliament is the one that "establishes the guidelines of the state's domestic and foreign policy and controls their implementation." It has not been consulted. True, the same text stipulates that one of the president's tasks is to conclude international treaties. Thus, after Mr. Iliescu goes to the city that stirs his dearest memories of 40 years ago, to sign the treaty, the two Parliament chambers will ratify this surprising product of our diplomacy. For the president it will be a disgraceful imitation of his predecessor's trip to Chisinau [Kishinev] and a betrayal of the national interests, which even Ceausescu reconsidered—because of the given conjuncture—toward the end of his regime. In the case of the Romanian deputies and senators this would be a certificate—bearing their own initials—of their complete and final alienation from the nation whose representatives they are.

The second question is: What happens to the Paris statements? On 23 November 1990, while the euphoria of participating in the conference that laid the foundation for a new Europe still lasted, Mr. Iliescu said to a journalist, who wanted to know whether the Soviet Union owns any Romanian soil: "Yes, of course. Not only Soviet Moldova; there is also Bessarabia, in the current Ukraine. The history and geographical knowledge of the head of the Romanian state needs to be corrected: Bessarabia, which he confused with Buceagul, covers the whole area east of the Prut river bordering on the bank of the Nistru [Dniester] in the north and east, and on the Danube and Black Sea in the south. I hope that the omission of North Bukovina can be blamed only on the negligence of the reporter. In connection with whether these areas will ever be returned to Romania, LE FIGARO carried the following prophesy: History will decide. The problem is like the one with Germany in connection with Alsace and Lorraine. History decided positively (!) I hope that the same will happen in our case"... This means reticent patriotism as it befits a statesman who weighs his words, or maybe too much confidence in the judgment of history, which also had its say in 1812 and 1878, in 1940, and 1944. The members of a party that proposed to build the future of mankind used to pay less attention to local aspects of this formidable common future. Maybe that is why our leaders, indifferent to the destiny of Romanians on the left bank of the Prut, hurry to recognize the most unjust border that history—written by them—still tolerates in Eastern Europe. Will Mr. Snegur, yesterday's guest, understand this? Others cannot forgive the immorality and thoughtlessness of their successors: The holy warrior of Putna and Cantemir, the scholar with his hand on the sword, while the shadows who reap satisfaction are the peaceful pensioner Molotov and the one who was hanged in Nuremberg, Ribbentrop.

Emphasizing the cultural and ecological advantages of the treaty, ADEVARUL quotes TASS as the only source. Is this humiliation necessary to make us realize our sad inability to keep abreast of developments in our country and abroad?

All of a sudden we realize what Titulescu's commemoration signifies; however, his policy tried to achieve recognition of our borders when Bessarabia belonged to us. Now the pylons of his system of alliances are shaky and the border separates us. This makes all the difference.

## Justice League Protests Joint-Soviet Treaty

*AU0604194691 Bucharest ROMANIA LIBERA in Romanian 2 Apr 91 p 4*

[Protest by Florian Flamanzeanu of League for Justice issued in Bucharest; date not given: "An Act of Treason"]

[Text] A new Romanian-Soviet Treaty of Cooperation, Good-Neighborliness, and Friendship between the Soviet Union and Romania has been initialed in Moscow by Soviet Foreign Minister Aleksandr Bessmertnykh and the Romanian Minister of Foreign Affairs Adrian Nastase. This treaty is to be signed by Presidents Ion Iliescu and Mikhail Gorbachev. This treaty means the recognition of the USSR border on the Prut River, a river inside Romania facilitating the Soviet Union's access to the Danubian basin and the Black Sea. It also means the legal renunciation of Bessarabia, and Romania's annexation. There is nothing legal to justify Bessarabia being a component of the USSR. The treaty that has been signed so hastily pursues the legalization of the annexation to the Soviet Union of the Hertsa area, Northern Bukovina, and Bessarabia up to the Black Sea. This territory was annexed to the USSR on the basis of the Ribbentrop-Molotov Pact during Hitler and Stalin's time. We do not interfere in the domestic affairs of the USSR, but the Soviet Union has been interfering into Romania's domestic affairs ever since 1940. Some 28 percent of the citizens of the Republic of Moldova participated in the 17 March referendum. To preserve the union, Moscow tried to impose the principle that the minority has to submit to the majority, thus seriously violating the principle of human rights and freedoms, and peoples' right to self-determination. To pull out of the union a vote of two-thirds of the population, compensations, and a long transition period are required.

This two-thirds of the Romanian population cannot be achieved in the Republic of Moldova, however, because of the genocide practiced against the Romanians in all possible ways: By moving them to Siberia and other territories and transferring Russians and other peoples to the Republic of Moldova. This referendum cannot exist. The only hope left is Romania, the UN bodies, and the international community.

The Republic of Moldova has not signed anything with Moscow to hold this referendum. Bessarabia is Romanian soil torn away from Romania's territory. We say NO to this referendum and plead for tangible help for Romanians in Bessarabia. It is not the Soviet Union that has to demand compensations, but Romania has to ask the USSR for compensations, without any period of transactions, for everything Romanians in Bessarabia had to suffer in the 51 years of annexation and 157 years of russianization. We say NO to the ratification of this treaty of interference and historic deceit of the Romanian people.

League for Justice, Bucharest

## Loncar Queried on Nationality Conflict, Reform

*AU0704174291 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 6 Apr 91 p 6*

[Interview with Foreign Minister Budimir Loncar by Harry Schleicher in Belgrade; date not given: "I Am Convinced That Yugoslavia Will Survive"]

[Text] [Schleicher] Minister, 50 years after the Axis powers attacked Yugoslavia on 6 April 1941 and disintegrated the single state, the country is once again at a historic cross roads. Considering the profound crisis, which at times appears to be insoluble, do you think that Yugoslavia will survive the year 1991?

[Loncar] I am convinced that Yugoslavia will survive. In the past, our difficulties originated mostly from the outside, the distant, and not-so- distant neighborhood. You mentioned 6 April 1941, a drastic example of how the Yugoslav state was disintegrated under the blows of the Nazi Army. Everything that is now happening here takes place in a completely different international context. Our problems have not been caused by the outside world but come from within our own ranks. We cannot disconnect these problems from the European changes, however, which are positive and aimed at a lasting peace. Of course, new imbalances and discrepancies will emerge on this course, yet, on the whole, it is a very positive development. One can say that we are now in the best phase in Europe after World War II.

Hence, our developments are part of the European developments, although ours are currently dominated by a negative trend, so to say. Nevertheless, they are part of an overall development, because they are pointing toward parliamentary democracy, the market economy, and the rule of law. This profound democratic transformation has also placed the relations between the various Yugoslav republics and peoples as well as minorities, which live within this community, on the political agenda. Secondary phenomena, such as growing particularism, nationalism, and centrifugal tendencies, have also appeared. Looking at things in an isolated way, only from our perspective, they might look like a vicious circle; however, if one glances at them from the wider perspective of the changes in Europe, if one sees them as positive values, which are also our option and parts of our reality, then these things contain a lot that has to be appreciated. The Yugoslav solution has to come from inside, yet it must be firmly anchored in the comprehensive European process.

[Schleicher] Still, more and more Yugoslavia appears to be the antithesis to the process of European integration. The republics are demanding to be recognized as subjects under international law. What can your ministry, what can foreign policy contribute to solving the crisis?

[Loncar] Even if one looks at the situation from this aspect one notices an imbalance. We act out our differences, animosities, and conflicts in the limelight of the international public to a much greater degree than we permit positive international and European developments to have an impact on our inner-Yugoslav relations. In view of this imbalance, Yugoslav foreign policy is in great difficulties, but it is also facing great challenges. It means that if we want to become part of the new world, seek membership in the European institutions, look for full membership in the Council of Europe and associated membership in the EC, then we must solve our problems on the basis of the European option: it means through tolerance, democratic dialogue—in short, via democratic change toward parliamentary democracy, the market economy, the rule of law, and respect of human rights. In this way we fulfill Europe's demands. Nobody forces them upon us, but they are actually a logical consequence. Of course it is impossible to solve the crisis in domestic policy through our foreign policy. Nevertheless, foreign policy is able to contribute to finding a way out of this crisis: the path of Europeanization, integration in the European movements and European supranational institutions.

[Schleicher] Is the ever-increasing number of Western declarations, appeals, and letters that are addressed to Yugoslavia a help or an obstacle for solving the crisis?

[Loncar] I think they are quite helpful. Resistance and criticism are only the result of not differentiating between interference in internal matters and what is legitimate as a result of international interconnections. This is why our foreign policy is meeting with difficulties.

We are often told: Fulfill our conditions, and we will respect and help you; while we say: Help us by anticipating our possibilities for evolution and our requirements, because thus you accept us and bind us to fulfill obligations. Visits by my foreign counterparts are helpful because the ministers are able to make themselves a picture of the complicated nature of our situation as well as of our firm determination to correspond to European standards and demands. We are now learning to understand to what extent these demands are in our own interest, while the other ministers somehow begin to realize how important help is for us, particularly now to avoid interrupting the processes that have been initiated.

[Schleicher] Is it at all possible to implement reforms in Yugoslavia without foreign aid?

[Loncar] It is impossible to carry out reforms without outside help. The structural changes, modernization, and market economic developments require mutual openness. We must become a component of European developments and the European market. Without the flow of foreign means, without increasing trade, tourism, services, investments, and joint ventures our reform cannot succeed. The economic component, which I mentioned, is a precondition for the all reforms and the strengthening of democratic institutions and the constitutional state.

[Schleicher] Recently, there have been talks of replacing Prime Minister Ante Markovic, who has become a

symbol for reform policy in the West. What would such a step mean for reform policy?

[Loncar] Any government is both a subject that is supported and an object that is questioned. Right now, our government is more popular abroad than at home. Prime Minister Markovic is one of the most important activists of our reform, but he is not the only one. On the other hand, one also has to take account of the rule that one should never change a winning team; well, my God, even other countries do not always observe those rules. Let us hope that it will not happen. What is certain is that the reforms cannot be stopped.

[Schleicher] Inside Yugoslavia one can more and more often hear the argument, which has also been picked up abroad, that Yugoslavia has been divided into a democratic and a "Bolzhevist" part, which makes coexistence impossible. What do you make of that?

[Loncar] It is not an adequate picture of Yugoslav reality. Multiparty elections are held in all Yugoslav republics. Of course this picture is blackened by the fact that in the Kosovo area the ethnic Albanian members of the population did not participate in the poll, which is of disadvantage for them and for the elections. Generally, one has to note that there are pluralist legislatiures in all republics, although power is exercised by different parties. In some republics the former opposition has come to power. In others—Serbia and Montenegro—the former structures have been maintained; in Macedonia and Slovenia power is shared by the opposition and personalities who used to rule before. It is a fact that Yugoslavia is now more pluralist than before. This has set differing political accents, but they are all within the realm of the democratic option. In this initial stage of pluralism, which is how I would describe it, the situation appears at times more contradictory than elsewhere and is experienced in a more dramatic way than necessary.

[Schleicher] Are Yugoslavia's democratic developments threatened by a possible intervention of the Army in the political life? The West has always emphasized nonviolence as a condition for accepting Yugoslavia and providing support?

[Loncar] Nobody is interested in violence for solving political problems. Democratic developments also require peace. The Army is protecting the national integrity everywhere. The Army has also amended its internal constitution in our multiparty system and has become nonpartisan. Even today its roots, which reach back to the liberation struggle, continue to be of patriotic importance. Still, it is not part of the Army's role to intervene in the solution of questions concerning the political system. Since it is a factor for stability and integrity, the Army can be used—of course only on the instructions of the commander in chief, that is the state presidency—to prevent conflicts that challenge this role, but certainly not in connection with key problems of national order.

[Schleicher] How do you assess the FRG Government's attitude in connection with the crisis in Yugoslavia?

[Loncar] It is a fair and correct attitude. The government in Bonn has formulated its attitude in a constructive way within the framework of the EC. It regards the preservation of Yugoslavia as being in the interest of the peoples of Yugoslavia and the entire region. In other words, the FRG Government has the opinion that any other alternative would be dangerous because it might initiate conflicts, which in turn, could destabilize larger European areas. Nevertheless, the FRG supports the democratic changes because it realizes that these changes are in line with what the people want, and that without such changes Yugoslavia's integrity could not be maintained. It is a friendly and realistic policy.

[Schleicher] If you were asked to draw up a balance sheet of the past 50 years of German-Yugoslav relations since the beginning of the war, what would you place on the positive and what on the negative side?

[Loncar] That is not very easy to say. First, the aggression against Yugoslavia by Hitler's Germany was most unfortunate, a fact that was strongly in the minds of the German people after the war. Second, the German division was the greatest European anachronism and the expression of the building and division of blocks. Third, it was positive that we released all German prisoners of war at a very early stage, at the beginning of 1949, that we opened our general consulates, and installed economic delegations. Fourth, we were confronted with the Hallstein Doctrine [former FRG policy named for FRG politician whereby FRG would not establish official diplomatic relations with countries recognizing the GDR] when we recognized the GDR. Nevertheless, until 1958 and also thereafter—as a nonaligned country we have always said that the blocks, and thus also the division of Germany, are an anachronism.

Yugoslavia was one of the first victims of Hitler' aggression, but it was also one of the first countries where German citizens could feel welcome. Many of our people began to go to Germany and work there. Many have been fully integrated there and even assumed German citizenship. All in all, Yugoslav-German relations, particularly with the FRG but also with the GDR in the past, and today, with the united Germany, have been intensive and positive, and the consequences of the era of the Hallstein Doctrine have long since been overcome. Yugoslavia and Germany can be proud of it. Germany is one of our most important partners. I am happy to say that it is a country with which we entertain close relations in all kinds of areas—economic, political, and personal ones.

All pending questions, in whatever sphere, can be solved successfully within this context, and wherever they cannot be completely solved, both sides are at least satisfied with the result. As far as the question of war indemnity or reparations is concerned—if this is what you were hinting at—I am of the opinion that what

matters is not words or arithmetical figures, but the historic component with its moral and political contents. Within the positive bilateral framework, which we have created through joint effort, it might be even possible to solve this issue in a substantial way, irrespective of the term that we use.

### Bush's Letter to Markovic 'Well-Intentioned'

*LD0504165391 Belgrade TANJUG in English 1415 GMT 5 Apr 91*

[Text] Belgrade, April 5 (TANJUG)—Yugoslav Foreign Secretariat spokesman Dr Srdjan Kerim today describedas well-intentioned the message sent recently by U.S. President George Bush to Yugoslav Federal Prime Minister Ante Markovic.

U.S. President Bush expressed in the message admiration for the Yugoslav Federal Government's economic reform, and lent support to Yugoslavia as one. The message was interpreted as interference in Yugoslavia's internal affairs in some parts of the country.

"Every message, and, thereby, also the message of President Bush, must be interpreted as a whole, and individual parts must not be taken out of context," spokesman Kerim said at a regular news conference in Belgrade.

### Commentary Criticizes Letter, Milosevic

*AU0504144591 Zagreb VECERNJI LIST in Serbo-Croatian 1 Apr 91 p 5*

[Milan Jajcinovic commentary: "The United States and the Cudgel"]

[Text] The Split rendezvous between the six national leaders will not be remembered only because it was the first. More than this, it will be remembered for one more "attack of tolerance" by Slobodan Milosevic and a new loss of the population's faith in the possibility of a future agreement. This day, however, could be remembered because the meeting in the "Dalmacija" villa coincided with a letter from George Bush to Ante Markovic.

The U.S. President's admiration for Markovic's reforms is not something that Bush expresses just like that and for just anyone, and particularly not on just any occasion. Indeed, it is not accidental that the letter appeared on exactly the same day as the Split talks, or rather, the form of meeting which is similar to talks. The letter arrived after the news that at a secret and unexpected meeting in the Vojvodina hunting grounds, the Croatian and Serbian leaders, Dr. Franjo Tudjman and Slobodan Milosevic, had agreed on a trade: Markovic's head for Knin. It is obvious that the letter was addressed to Tudjman and Milosevic and not Markovic because Bush's letter says that "the United States neither gives nor will give priority to any national or ethnic group in Yugoslavia." In the letter written in an unusual diplomatic tone—familiar and not politically cold—the United States President expresses "his admiration" for Markovic and his "program of political and economic reforms," hoping that the present problems will be overcome "within the framework of a unified, democratic Yugoslavia."

Bush's political support for Markovic is not a surprise; it has been present almost from the very beginning of Markovic's term of office. It is now expressed without any reservations. Americans care about a unified, peaceful, non-Communist, and work capable Yugoslavia; a Yugoslavia in which the market will operate and a Yugoslavia which will be a market. They see Markovic as the guarantee for this kind of Yugoslavia. Okay, it is quite human and understandable to believe in such a chosen man. In desiring such a Yugoslavia, however, one can see even a guarantor in the way that one wants to. This is sometimes at variance with reality. Ante Markovic is no saint. All honor to his abilities and reforming endeavors, but he is not yet Saint Ante. Even though he is being undermined from all national trenches—mostly from the Serbian trench—he is not without fault, as he seems to the Americans, to judge by Bush's letter. Could it happen in the United States that Bush would continue to be the state president (Americans do not have a head of government) while Americans would not be able to take their own money out of the bank? A response is definitely superfluous. It is self-evident. This is the case in our country, but nothing happens to anyone.

Of course, Markovic is not the only and especially not the sole culprit for the present economic catastrophe. It is older than his Federal Executive Council. The reforms in Yugoslavia perhaps started with him but they do not have to end with him too; however, this does not mean that he should be constantly hindered, tripped up, and ambushed with a cudgel, as Milosevic and his friends are doing. After the secret meeting with Milosevic, rumors appeared that the president of Croatia had also agreed to take part in this campaign against the prime minister. This involved a supposed trade for Knin. Bush's letter followed as a reaction to this alleged agreement, as a warning to avoid this. Dr. Franjo Tudjman denied in Split that he had agreed to such an agreement with Milosevic; however, Milosevic did not even deny in Split that his intention is to bring down the prime minsiter. The Croatian president's participation in the intrigue against Markovic would not only be dishonest, considering the earlier expressions of support, but also politically inappropriate. That is to say, it would be unreasonable to ask the U.S. President for political support while hatching a plot against a man who could go to the United States today and be received by the U.S. President tomorrow!

George Bush is saying that he will not give support to "any national and ethnic group" but only to Markovic, as the guarantor of a "unified, democratic Yugoslavia." Thus, the U.S. political schemes now incorporate a forced symmetry which seems to want to suggest that Milosevic and Tudjman are identical. Who is who was

confirmed in Split. By demonstrating his insatiable political arrogance, Milosevic has once again shown that he does not even care about real negotiations. He wants Yugoslavia, but according to his will. Everyone has already had enough of Yugoslavia and his will. If Serbia were headed by somebody who was more tolerant and insightful than Milosevic, few people would probably even be thinking about leaving Yugoslavia. This way, with him at the helm, there can be no talk of a new agreement—that is to say, some new Yugoslavia, and especially not a "unified, democratic Yugoslavia."

### EC Foreign Ministers Urge Speedy Solutions

*LD0404155791 Belgrade TANJUG Domestic Service in Serbo-Croatian 1414 GMT 4 Apr 91*

[Text] Belgrade, 4 Apr (TANJUG)—The European Community is concerned over the latest developments in Yugoslavia, and at the same time, is interested in a speedy resolution of the crisis, which would significantly contribute to the improvement of Yugoslav-EC cooperation.

This is the main conclusion from today's Belgrade meeting between three EC foreign ministers—Jacques Poos of Luxembourg, Gianni de Michelis of Italy, and Hans van den Broek of the Netherlands—and Federal Secretary for Foreign Affairs Budimir Loncar.

The three EC foreign ministers arrived in Belgrade this morning on a one-day visit to Yugoslavia to find out the true proportions of the Yugoslav crisis and the prospects for its resolution.

As far as the crisis is concerned, Luxembourg Foreign Minister and President of the EC Council of Ministers Jacques Poos said that the EC holds that it can be resolved in line with the European option, which is, the functioning of a law-governed state, legislative democracy, and market economy.

The EC wishes, Poos said, that the crisis in Yugoslavia will be resolved in a peaceful and democratic manner and with full tolerance, including, naturally, the preservation of the country's territorial integrity.

The three EC foreign ministers expressed special concern over the situation in Kosovo and Croatia. The Luxembourg, Italian, and Dutch foreign minsters stressed that the use of force ought to be avoided, because it takes Yugoslavia further apart from Europe.

In the EC view, all conflicts in Yugoslavia must be resolved on the basis of the CSCE principles. They warned of the possibility that Yugoslavia could find itself on a CSCE agenda. They also pointed out that this can only be avoided if Yugoslavia reached an agreement on the resolution of the crisis as soon as possible.

According to the EC foreign ministers, the EC supports U.S. President George Bush's recent message to Ante Markovic. They also explained that Bush's and all other similar messages to federal bodies are also meant for all Yugoslav republics and the entire Yugoslav public.

Loncar thanked them for EC support for Yugoslavia, noting that our country at the moment needs equal political and material help from the community. He also stressed that negotiations regarding Yugoslavia's status as an associate member of ithe EC are very important for the solution of the Yugoslav crisis in line with the European option.

### Loncar, Ministers View Issues

*LD0404181191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1654 GMT 4 Apr 91*

[Text] Belgrade, 4 Apr (TANJUG)—We see the way out of the present crisis withia the frameworks of the European option and Europe. This is why we need the help of the EC, which would make it easier for a united Yugoslavia to join Europe.

This was stated by Federal Secretary for Foreign Affairs Budimir Loncar at today's news conference in Belgrade immediately after the conclusion of his talks with the three EC foreign ministers—Jacques Poos of Luxembourg and president of the Council of Ministers; Gianni de Michelis of Italy (former president); and Hans van den Broek of the Netherlands (future president). Loncar assessed the solution of the Yugoslav crisis in bringing Yugoslavia closer to Europe.

Speaking about Yugoslavia's chances of joining the European integration processes, Poos reiterated the EC stand that only a democratic and united Yugoslavia has a chance of joining the European integration processes. "We cannot see how a divided and feuding Yugoslavia can maintain its present position in the non- aligned movement, in the CSCE, and other international institutions, including the Council of Europe," the Luxembourg foreign minister said.

Jacques Poos also advocated political and financial assistance to Yugoslavia, stressing the need "to indicate the hope that Yugoslavia will join the European family." In this context he recalled yesterday's initialling of the third financial protocol between the EC and Yugoslavia.

What would happen, however, if Yugoslavia broke up, was one of the questions at today's news conference. "Whether you will remain together or not is a matter for the Yugoslav peoples to decide on the basis of the CSCE principles," Jacques Poos considered. Italian Foreign Minister Gianni de Michelis warned that "there is a great difference between an integrated and disintegrated Yugoslavia." He said that "a disintegrated Yugoslavia is a danger to the whole of Europe and to Italy perhaps most of all."

"We came to Belgrade to convey to Yugoslavia the message of Europe, which wishes all Yugoslav troubles will be resolved by peaceful and democratic means. If this does not happen, Yugoslavia will face the real danger of lagging considerably behind in comparison

with the countries of east and central Europe in the process of inclusion in European integration," President of the EC Council of Ministers and Luxembourg Foreign Minister Jacques Poos said in conclusion at today's press conference.

Immediately after the news conference the three EC ministers left Belgrade.

### Bessmertnykh, Loncar Discuss Bilateral Ties

*LD0804144991 Belgrade TANJUG Domestic Service in Serbo-Croatian 1333 GMT 8 Apr 91*

[Text] Belgrade, 8 Apr (TANJUG)—The stability of Yugoslav-Soviet relations constitutes an important factor of European and world stability, it was stated today at the first round of talks between the heads of diplomatic service of Yugoslavia and the USSR, Budimir Loncar and Aleksandr Bessmertnykh, who arrived in Belgrade this morning on an official and friendly two-day visit to Yugoslavia. At their talks today, Loncar and Bessmertnykh reasserted the value of the Soviet-Yugoslavia Declaration signed in Belgrade in 1988 during Mikhail Gorbachev's visit to Yugoslavia. Foreign Minister Bessmertnykh stressed today that the Soviet Union supports Yugoslavia as "a prosperous and united country." He said that Yugoslavia's present problems are its own internal business and added that Moscow maintained that these problems should not be internationalized. The head of the Soviet diplomatic service spoke in favor of "active cooperation with Yugoslavia, which benefits the USSR."

Today's first round of talks in Belgrade was entirely focussed on bilateral issues and economic cooperation claimed, as expected, most of the attention. It was assessed that the difficulties in economic cooperation were a consequence of the restructuring of the economies of the two countries. Both sides supported solutions to these problems and said that a number of actors, ranging from their governments to experts, should be involved in seeking these solutions.

The worst problems at the moment are in the trade sphere. Over the first months of this year there has been a considerable drop in trade on last year and one of the reasons behind this is the shift from the clearing method of payment to the hard currency method of payment. The Soviet Union's debt to Yugoslavia was also mentioned.

Loncar acquainted Bessmertnykh with Yugoslavia's official stances about its support for "Soviet perestroyka" and added that it is significant for the world as a whole. Loncar said that Yugoslavia "cares about a successful conclusion to the perestroyka process." "Our support for perestroyka implies our support for the Soviet Union's integrity," He added that, "We maintain that the Soviet Union should be an active factor on the international scene."

The second round of talks was conducted during their official lunch. Loncar and Bessmertnykh, together with their aides, exchanged opinions about the current international scene, placing special emphasis on the Middle East, the Gulf, the Nonaligned Movement's activity, and the United Nations.

Late this afternoon the two foreign ministers will meet again at the Federal Secretariat for Foreign Affairs and start and finish the third round of talks. Loncar will host dinner for his high-ranking guest from Moscow.

### Tudjman Asserts 'Worst' of Crisis Over

*LD0604142591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1125 GMT 6 Apr 91*

[Text] Zagreb, 6 Apr (TANJUG)—The worst of the crisis is behind us. An agreement has been reached that solutions for the present situation should be sought in the shortest possible time, and it has been agreed with the leaders of the Army that it should not interfere in the resolution of the state and political crisis.

This was stressed by Croatian President Franjo Tudjman, at a meeting today between Croatian government representatives and Croatian representatives in the Federal Secretariats for Foreign Affairs and Foreign Economic Relations.

President Tudjman announced another reshuffle of the Croatian government. Foreign Minister Frane Vinko Golem will head the Croatian Office in Washington, and Tourism Minister Janko Dobrinovic Vranicani will be head of the Croatian Office in Brussels concerned with relations with the EC.

### Army Command Asked To Aid in Zagreb Protest

*AU0804105091 Belgrade Domestic Service in Serbo-Croatian 1000 GMT 8 Apr 91*

[Excerpts] [passage omitted] Several thousand people have been protesting in front of the Zagreb Military Court since this morning because of the announced beginning of the trial of Martin Spegelj and the seven people charged with organizing armed rebellion on the territory of Croatia. [passage omitted]

The forces of the Ministry of Internal Affairs appeared at about 1100 in significant numbers and suppressed the masses about 20 meters away from the court building. Shortly before 1200, however, the masses came to the door of the court building again. During that hour, stones and eggs were thrown at the building over the police cordons.

Colonel Zivko Mazic, president of the military court, said that the Command of the Fifth Army District was asked for aid, but the Command replied that it should first be left to the forces of the Croatian Ministry of Internal Affairs to clear out the situation in front of the building. Mazic said that this agreement was made in a

direct contact between General Koljsek [commander of the Fifth Army District] and Minister Boljkovac.

Police helicopters are flying over the building of the military court. According to statements made by some officers, there are no signs that the masses are armed with firearms.

### Protests Continue at Court Building

*LD0804120191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1112 GMT 8 Apr 91*

[Text] Zagreb, 8 Apr (TANJUG)—In his statement to the press shortly after 1200, president of the Zagreb Military Court Zivko Mazic said what was happening outside the court building "conveys an ugly portrait of Zagreb and democracy, and has not been provoked by the Military Court."

He said the commander of the Fifth Military District, Colonel General Konrad Kolsek, had informed Croatian President Franjo Tudjman and Minister for Internal Affairs Josip Boljkovac about what was happening in front of the Military Court building. In spite of their promise that they would take measures to restore peace and order, this has stil! not been done Mazic says.

Colonel Mazic told the journalists they were safe in this building thanks to the Army's security measures.

Replying to the journalists' questions, Mazic said that if the Ministry for Internal Affairs did not settle this situation, then it would be regarded as "a military issue" and he would call on the commander of the Fifth Military District to protect the people in the court building.

At about 1230, stones and other objects were still being hurled at the building from the street as the demonstrations continued. Everyone in the building, including 50 Yugoslavian and foreign journalists, who were expected to report on the trial, remain in the building where they can use its telephone links.

### Military Forces Asked To Leave Building

*AU0804130091 Belgrade Domestic Service in Serbo-Croatian 1200 GMT 8 Apr 91*

[Vesna Knezevic report from Zagreb]

[Text] The trial of Croatian Defense Minister Martin Spegelj has been adjourned because it has been impossible to hold it normally.

[Knezevic] Several minutes after 1300, Croatian Ministry of Internal Affairs forces started suppressing the demonstrators gathered in front of the building of the Zagreb Military Court; as we now are reporting this, at about 1330, the area in front of the court is almost empty, apart from a group of police special forces.

One can hardly call this an action carried out by Croatian special forces, however. In fact it is more a case of the Internal Affairs forces securing the meeting into which the demonstrations have turned. The demonstrators were addressed by Zagreb Mayor Boris Buzancic, Croatian Assembly Deputy Neven Jurica, and Drago Krpina, head of the Croatian delegation to the SFRY Assembly Chamber of Republics and Provinces, speaking from the building across from the Military Court. Vice Vukojevic, deputy minister of the police, has been seen in the crowd.

Buzancic and Jurica called on the people present to disperse peacefully. Buzancic called on the people gathered to express what they wanted, but to do so in a different way. Stones continued to be thrown during the speeches; the offices on the side of Gaj Street are covered with shattered glass, debris, and stones. (?All) the windows have been broken.

Some time after 1200, spokesman of the Croatian Ministry of Internal Affairs requested of the president of the Military Court that military special forces be withdrawn from the roof of the Court building, because this is upsetting the public, but the military replied that military special forces cannot be seen from the street.

### Croatian Government Protests Army Moves

*LD0504164591 Belgrade TANJUG Domestic Service in Serbo-Croatian 1556 GMT 5 Apr 91*

[Text] Zagreb, 5 Apr (TANJUG)—The government of the Republic of Croatia sent a letter of protest from its session this afternoon to the Federal Secretariat for National Defense because of recent movements of army units on the territory of this republic that were not reported to the competent authorities. This incurs great material expenses, ruins roads, and upsets the population, the letter says, among other things.

Speaking of the government session, Croatian Government President Josip Manolic expressed sharp disgust at the "harrassment and disarming of those officers and soldiers of the Yugoslav Peoples' Army" who refused to take part in what he called the planned disarming of the special purpose units of the Croatian Ministry for Internal Affairs. Dissatisfaction was also voiced with the removal of the Croatian banner in Plitvice.

Deputy Minister of Internal Affairs Slavko Degoricia acquainted the government with the details of the recent events in Plitvice. President Manolic said that his opinion is that [SFRY Presidency] President Borisav Jovic convenes a Federal Presidency's session whenever Croatia's regualar police forces try to restore public peace and order.

Manolic refuted the Serbian Assembly's declaration adopted at its last session because it was, as he put it, "blatant interfernce in Croatia's internal affairs."

"There is a great deal of talk about terror, while a blind eye is turned to those who are perpetrating terror in Kosovo, where even women and children were killed and crushed by tanks. This is a matter of deluding one's own

people and of scaring and upsetting the other peoples in Yugoslavia," Manolic said at today's government session.

Manolic also informed the Croatian government that he had despatched a letter of protest to Federal Executive Council President Ante Markovic, because of the monetary policy of the National Bank of Yugoslavia, which is, as he assessed, against Croatia's interests, and because of Montenegro's intrusion into the Yugoslav monetary system.

### Mayor: Zagreb Can Mobilize 200,000 Volunteers

*LD0604183191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1046 GMT 6 Apr 91*

[Text] Zagreb, 6 Apr (TANJUG)—President of the City Assembly and President of the Council of People's Protection of the City of Zagreb Boris Buzancic has sent a message to President of the Republic of Croatia Franjo Tudjman on behalf of political parties and some social organizations. It says that representatives of political parties and social organizations met yesterday at the invitation of the Zagreb mayor so they could all together support "a policy aiming to establish the full sovereignty of the Republic of Croatia."

The message also says that "the seriousness of the situation imposed the conclusion that unarmed volunteer People's Protection units should be organized immediately to defend Zagreb and the Republic of Croatia. To this end we have set up an interparty People's Protection Council for Zagreb and set the guidelines for organizing its units."

It also adds that, according to this meeting's estimate, if President Tudjman calls for them, the city of Zagreb is set to "mobilize in a short period of time over 200,000 volunteers (if need be they can be even armed), determined to defend the freedom and democracy of their only homeland, the Republic of Croatia, at any cost."

### Osijek Police Fire Missiles on Armed Civilians

*LD0804125291 Belgrade TANJUG Domestic Service in Serbo-Croatian 1134 GMT 8 Apr 91*

[Report on news conference with Osijek Police Chief Josip Reihl-Kir in Osijek on 8 April]

[Excerpt] Osijek, 8 Apr (TANJUG)—Last night at about 0245 hours between the villages of Dalj and Borovo, villages on a road where barricades have been erected and where there are armed Serbian civilians, an exchange of gunfire took place between armed civilians firing from barricades and members of the Osijek police administration. Although on this occasion the police also fired missiles [projektile] at the barricade there were no dead or injured on either side.

Explaining how the clash came about, [police] Chief Kir said that last night Osijek police administration patrols were carrying out operational-preventative measures around the Dalj police station. Information was available about a possible organized attack on the police station in Dalj, a village not far from Osijek where for the most part Serbs live. In view of this fact police members moved in a line between the villages of Dalj and Borovo and came within about 200 meters of a place on the road where there were barricades and armed civilians. The police, Chief Reihl-Kir stressed to journalists, had a strong beam of light directed toward them from the barricade and then shots were fired from automatic weapons and military rifles. Kir said that when they opened fire the police also responded by firing automatic weapons and missiles were fired from launchers in the direction of the barricade, directed at the gunfire, Kir specified.

At the news conference Chief Kir said that members of the Osijek police administration returned from the scene of the incident to their base uninjured, and that they have information that no one was injured at the barricades either. The missiles caused material damage, however, to vehicles and other resources that had been placed at the barricade. Kir said that armed persons from the village of Borovo did not permit the investigating judge to carry out an official investigation.

Chief Kir said that the police administration has reliable information that some Serbian citizens from villages in this region who are in various advance-guards or guards, or at barricades, very often do this because of coercion or material compensation, and not out of terrorist motives. [passage omitted]

### Situation in Knin Region Termed 'Very Tense'

*AU0504162191 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 5 Apr 91*

[Milos Rajkovic report]

[Text] The Trade Union Federation of Krajina has sent an open letter to Serbian President Slobodan Milosevic, asking him in the future not to allow Croatian President Tudjman to call the Serbian people in Croatia names, as he did at the news conference in Belgrade last night.

In our opinion, your negotiations will not be successful because you failed to ensure the basic prerogative of respecting the dignity of every people, it is said in the open letter the Krajina Trade Unions sent to President Milosevic.

The situation in the Knin Region is still very tense and occasional incidents are making it even more inflammable. There was a shooting early this morning in the Serb-populated village of Otisic, which recently seceded from the Sinj Commune and joined Knin. A volley of shots was fired from a moving car at the village restaurant. Fortunately, there were no casualties because of the time of the attack.

People in Knin were very upset by the news that Croatian volunteer units are being formed in Sibenik

and Zadar. The fear is even greater because these units are being formed in all local communities of the two communes, because they are composed of one nationality, and because all this is being done in full cooperation with the police.

For this reason, night watches are being intensified in the entire Knin Region. There are no longer any barricades on the roads, but all local traffic dies down with the first signs of dusk anyway.

Railroad traffic has also been completely stopped for days and railroad workers are on compulsory annual leave. Let us remind you that the Knin railroad junction, with its four tracks, was the busiest in Croatia—more than 70 trains a day.

The majority of Croats employed in Knin collectives have not come to work today. There is no money in the banks after the blockade was introduced by the Split Social Accounting Service; this stopped the entire flow of money toward Knin. Let us add here that the Obrovac plant [pogon] followed the Knin plant in seceding from the Croatian Electrical Power Generation Industry. The formation of a united public enterprise, the Krajina electrical power generation industry is planned.

### Explosion, Arson Reported Around Knin

*AU0804144391 Belgrade Domestic Service in Serbo-Croatian 1300 GMT 8 Apr 91*

[Milos Trajkovic report from Knin]

[Excerpt] The Knin region is still not peaceful. Last night, an explosion completely demolished the (?DM) restaurant in Vrelo on the road leading into Knin from the Bosansko Grahovo direction. The owner of this restaurant is a Croat, Nenad Grkic.

Furthermore, a vacation house belonging to another Croat, Drago Stojanovic, was completely burned last night as a result of arson. We have been informed by the local secretariat for internal affairs that an investigation is under way.

Factories and schools in the Knin region are still closed. The reason for their closure, as stated in the order from the Executive Council of the Communal Assembly, is a possible attack by the special police of the Croatian Ministry for Internal Affairs. This order is in force until tomorrow. [passage omitted]

### Croatian Defense Minister's Trial Postponed

*LD0804093691 Belgrade TANJUG Domestic Service in Serbo-Croatian 0827 GMT 8 Apr 91*

[Text] Zagreb, 8 Apr (TANJUG)—The great tribunal of the Military Court in Zagreb adjourned the main hearing this morning in the trial of [Croatian] Defense Minister Martin Spegelj and the seven individuals who are accused, as their indictment states, "of preparing an armed insurrection on the territory of the Republic of Croatia."

The hearing was adjourned due to the atmosphere and circumstances outside the military court building in Gajeva Street in Zagreb, the president of the tribunal, frigate Captain Mile Vignjevic, explained. A large number of citizens gathered in this street. They were shouting, singing, and chanting slogans in protest over this trial. They also managed, shortly before 0900, to break through a fence erected by the police outside the military court building.

After the adjournment of the main hearing, the defense suggested that the accused should be released from detention. The tribunal did not accept this suggestion.

The main hearing is adjourned for an unspecified period of time.

### Krajina Officials Deny Knowledge of Militia Unit

*LD0704195391 Belgrade TANJUG Domestic Service in Serbo-Croatian 1636 GMT 7 Apr 91*

[Text] Knin, 7 Apr (TANJUG)—Dr. Milan Babic, president of the "National Council of the Serbian Autonomous Region of Krajina" [SAOK] and Milan Martic, secretary of the Krajina Secretariat for Internal Affairs, stress in a statement to a TANJUG journalist this evening that they know nothing about any "Dusan Silni flying unit," nor of any possibility that this volunteer unit is under "the direct command of the headquarters in Knin in its campaign in Slavonija." This was announced yesterday, for Monday 8 April, at a news conference in Belgrade by the so-called Serbian National Front.

Babic stresses that Knin is the capital of the SAOK, and that it decides on and coordinates territorial defense and the police only within municipalities in Dalmatia, Lika, and Kordun, which have joined the SAOK.

Martic, secretary of the Krajina Secretariat for Internal Affairs, says that he has no knowledge of any Dusan Silni flying unit, and that this is the first time he has heard of it.

"However, volunteers who want to defend Krajina are appearing each day from many parts of the country. I have not requested them to do this, they are coming forward themselves; about 200,000 have registered." Martic claims.

### Serbian Muslims Seek Autonomy in New Framework

*LD0804105191 Belgrade TANJUG in English 0930 GMT 8 Apr 91*

[Text] Belgrade, Apr 8 (TANJUG) - Leader of the Party of Democratic Action (SDA) for Serbia Sulejman Ugljanin has stated that his Muslim party would seek autonomy for Muslims in case of any retailoring of Yugoslavia.

Ugljanin told Belgrade VERCERNJE NOVOSTI in an interview carried today that the Muslim people were right in seeking autonomy for fears of massacres like those perpetrated in the second world war by the Serbian monarcho-fascist Chetniks.

The SDA leader for Serbia pointed out that his party wanted, together with other opposition parties, to depose Serbia's ruling socialist party (SPS).

The SDA triumphed in all electoral units in Sanjak, the predominantly Muslim south-western part of Serbia.

"The hooligan behaviour of the SPS (Serbia's ruling Socialist Party) does not let people live, to say nothing about their creating policies," stressed Ugljanin. Because of such an SPS conduct, said he, the Muslims in Sanjak "manage merely to vegetate."

The SPS favours the Serbian nation, convincing the general public that Sanjak is populated by "a savage people of criminal who are to be "persecuted without the right to complain," stated Ugljanin.

This was Ugljanin's comment on a decision by President of Serbia Slobodan Milosevic to send police reinforcements to Sanjak. Milosevic had explaind the decision by the possibility of riots breaking out in Sanjak.

## Macedonian Prime Minister's Inauguration Speech

*AU0704142191 Skopje NOVA MAKEDONIJA in Macedonian 21 Mar 91 p 2*

[Unattributed report on inauguration speech by Macedonian Prime Minister Nikola Kljusev in Skopje on 20 March]

[Excerpts] Prof. Dr. Nikola Kljusev made his inauguration speech before the deputies of the Assembly of the Socialist Republic of Macedonia yesterday. Among other things, he pointed out the following:

With the fate of our people before us at this historic moment, we feel a profound desire and clear orientation to build a sovereign Macedonian state with the help of all necessary instruments of a legal, economic, and political system, and to do so through radically new orientations that are opposite to the existing ineffectual and economically and politically inefficient system that is being abandoned.

This process of change and great social transformations is not specific for us alone. There is a broad process of transition going on in all east European countries, which also involves the development of a new strategy and new philosophy for the socioeconomic setup.

Although it is a general European process, in the Socialist Republic of Macedonia it has had an extremely chaotic, one would even say, a destructive impact on economic and social life. This process has been going on for as long as 10 years, with, on the one hand, extreme stagnation in the area of the economy and technology, while, on the other, politics has been charged with highly emotional nationalism. These changes are reflected in the structure of the world economic, political, and military strength and are changing the strategic picture of the world. Questions of peace and security are becoming very unpredictable and new elements are being introduced into power strategy and domination, thus making the question of universal security in every country in Europe in general and in the Balkans very topical.

In our case in particular, this question has acquired extraordinary importance, considering the specific conditions of our being surrounded by insatiable appetites regarding Macedonian national and territorial integrity.

We should be proud of what we have done for the protection of the national rights of all the people in Macedonia regardless of their national affiliation.

We have won international recognition by demanding that the human rights be respected by everybody in this Balkan area of ours and by the fact that we in Macedonia have done the most in that respect.

The governments will be constantly concerned with respect in Macedonia for internationally recognized criteria on human rights.

### Democratic Solutions for a Complex Situation

The most recent domestic turmoil in Yugoslavia has made the crisis even more complex. The government will work energetically to solve the Yugoslav political crisis in a democratic and peaceful way and through dialogue, without the use of military force, through the free expression of the different political and national interests of each of the republics, and by creating minimum conditions for coexistence that are acceptable to all sovereign states in the future Yugoslav community. Nevertheless, even under such conditions in the country, the Macedonian Assembly has adopted two extremely important documents of historic importance: The Declaration on the Independent and Sovereign Macedonian State and the Platform for the Negotiations on the Future Setup of the Yugoslav State. The Declaration and the Platform represent the basic postulates upon which the new philosophy of Macedonia's legal and economic system is to be created. The spirit and contents of these documents will help the government to set the foundations for a new Macedonian constitution and create instruments for the state setup. The constructive spirit of these two documents has provided our delegation at the negotiations on the future setup of the Yugoslav community with the motivation to participate in the negotiations in a dignified and constructive manner, as well as to adopt positions of lasting value and interest for Macedonia and beyond, for the Yugoslav community.

### A Heavy Heritage

Our government has inherited a heavy economic burden that has been accumulating over a long time. This

situation has got worse within the last several months and has been shown in the fact that all economic indicators have been plummeting. [passage omitted]

The planned changes in the system will help us to activate unused capacities quickly, start up abandoned facilities again, make better use of subjective factors, improve the organization of work, use insufficient resources economically, and bring about a general change in our former attitude toward work. A market orientation will result in better choice and quality of products offered, which will also mean a better supply in the domestic market. This new system will also result in the abandonment of the old practice of permanently guaranteed jobs, so everybody will have to increase his productivity and inventiveness to retain his job. Everybody must take risks in his work, just as a private entrepreneur bears risks for his investment.

In our opinion, there are large reserves in this sphere, so with small additional investment, our social product can be increased by 1-1.5 percent in a reasonable period of time. The revitalization of all fields that quickly be market-reoriented should be given a significant place. There are certain reserves in liquidating all those economic subjects and institutions that are surviving thanks only to the aid from the social community.

It will also be important to activate the potentials in the agricultural-industrial sector, as well as to help small businesses develop more intensively. [passage omitted]

To achieve all these aims, one must accelerate the process of property transformation. In this respect, one should strive to organize and clearly define the function of the technical-economic service [tehnicko-ekonomsko servisiranje] that should be rendered by agencies for restructuring and to establish the criteria for the functioning of the Development Fund. This process is going to be very complex and difficult. [passage omitted]

The protection of private property must represent an important part of the new economic system. Besides, the government's activity will be concentrated on the gradual introduction of a stock market. Studying the regulatory instruments applied within the EEC is very important here. This particularly applies to the issue, transfer, and control of securities.

### Support for New Economic Initiatives

Changes in the character of ownership relations and the construction of a dynamic market economy also introduces the issue of building a modern taxation system. Stimulating and supporting new economic initiatives will involve softer taxation pressure, but will also introduce the demand for an end to a high degree of evasion (avoiding) taxes and the introduction of effective control of tax collecting. By using the experience of the EEC in this sphere, one should try to coordinate the taxation system in our country with the one in the EEC countries. [passage omitted]

The government is going to build a political and legal system in accordance with modern achievements in political and legal sciences, using the wealth of experience of countries with pluralist legislative systems. [passage omitted]

The basic postulates from which one should proceed is the man-citizen, his freedom of thought and ideas, his property (privacy) [privatnost], and initiative. In this respect, the citizen should know his rights and obligations in advance, should have a responsible attitude toward them, and should build a culture of dealing with the institutions of the legal system. [passage omitted]

A positive approach toward the protection of the freedom of the individual and the creation of the free individual in all spheres in economic and cultural life should raise the government above any ambition toward revanchism. Anyone whose conscience is not clear, and particularly if there is blood on his hands, will have to be brought before the court of history.

### In Favor of Macedonia as a Rule-of-Law State

The government will devote all necessary attention to establishing the political community in Macedonia, which above all means the exact construction of a legal procedure and the building up of the institutions of the rule of law in Macedonia. To achieve all this, one should proceed from the following principles: 1) Authority is to be divided into legislative, executive- administrative, and judicial; 2) The Army, State Security, and Militia are to be depoliticized; and 3) The media are to be professional and independent.

In this respect, the government, with a large number of executive and administrative powers concentrated in it, will make an effort to act as a really creative, operative, mobile, and creative factor when proposing policies and laws to the legislature and when helping them to be successfully and efficiently implemented throughout the whole territory of the Macedonian state [passage omitted]

The government will devote considerable attention to building depoliticized, professional, and modern services of internal affairs. It will radically broach the problems of anomie (lawlessness) in the service, as well as possible blockages and political manipulations. The government is aware of the fact that if this is not done, in an established pluralist environment, it would be seriously blocked if the militia comes to conflict with the said processes.

### Free Flow of Ideas

The government is making an effort to make it possible for an atmosphere to be created for the free flow of ideas and creativity, for the right to have thoughts and different views, that is, to make it possible for everything to be turned toward the future, progress, and communication with the world. Deliberate democracy implies the full right to be informed, without closed clans and

lobbies, without political commissaries who would close access to sources of information and regulate what may and what may not be seen, heard, or read. [passage omitted] It will be our clear orientation to have broad communication with the world, with a view to affirming democratic processes and achievements in the republic, its economic abilities and potentials, and its scientific and cultural achievements.

Our efforts have been directed toward creating the foundations for a democratic legislative system. The difficult part is just coming, however: all of us, the people and the state, should invest great efforts to achieve the proclaimed high democratic ideals. [passage omitted]

The government should act as a non-party body. It must not allow political and ideological views and stands to be transferred to its work. The interest in the Macedonian citizen and the Macedonian state is above everything. [passage omitted]

[Following passages appear boxed within the body of the item]

**European Orientation**

We see our future and the future of the Balkans in an integration into Europe, integration built upon the foundations of the freedom of every individual, freedom interpreted as the sum of political, economic, and national rights. The road toward Europe and the world lies in the struggle for the national rights of Macedonians in the neighboring countries.

**Independent Judiciary**

The government has devoted particular attention to constituting the judiciary in Macedonia. The government and legislature will set the principles of the independence of the judiciary, particularly in the transitional period in which it is being established. This involves the establishment of independent and autonomous courts, public prosecutor offices, and other judicial services, and particularly ensuring the permanency of the judicial function through the process of electing judicial cadres and releasing them from duty.

**Free Information**

The government will show a permanently principled attitude toward the media. What is involved is that they should be as much as possible open toward the public, that is, toward the citizen as an individual, using objective, completely true, and timely information to mobilize, motivate, and stimulate the citizen and individual to make his contribution to finding a way out of the present crisis in society within the framework of his own individual capabilities and possibilities. This will also mean the realization of our new view of and orientation toward building a modern democratic and informed society.

## Macedonian Leader Views Political Issues

*LD0504184191 Belgrade TANJUG Domestic Service in Serbo-Croatian 1015 GMT 5 Apr 91*

[Text] Skopje, 5 Apr (TANJUG)—At yesterday's meeting of the presidents of the republics and the presidents of the presidencies of the republics, the main question raised was, what form or character the future Yugoslav community should have. Basically, two views, with some variations were presented. The main differences are that Serbia and Montenegro want a federal state, which is in some elements even stronger than the present one. On the other hand, the four other republics want an alliance of sovereign states, or republics, with the character of this alliance dependent on a concrete agreement on the powers, functions, and services of such a future community, said Macedonian President Kiro Gligorov in talks with Macedonian journalists, following last night's news conference in Belgrade.

"The public knows that Macedonia has called for these functions to be discussed first. At yesterday's session, however, the majority wanted to talk about the nature of the community we are to agree upon. The two opposed views on this did not contribute to a final agreement," said Gligorov and added that at the next meeting of the republican leaders the functions and powers of the future Yugoslav community must be on the agenda. He also stressed that at the next meeting, Macedonia will have a complete proposal on these issues and will offer it as a contribution to the debate on the future of Yugoslavia.

"I expect the Federal Executive Council [FEC] president to reach an agreement with the presidents of the republican governments and executive councils, in a week's time, on all the issues on which the normal functioning of Yugoslavia depends until the moment when the new agreement on the future order in Yugoslavia can come into effect," Gligorov said. He thinks that the FEC should inform the SFRY President about the results of these talks by next Friday. According to Gligorov, after the Presidency session, in which the republican presidents will take part, Markovic is expected to say in the Federal Assembly what he thinks about the economic, political, and social situation in Yugoslavia, and to offer a package of measures for resolving the current issues.

"The federal government, above all, has the task of solving the problems connected with the transitional period, but this does not relate only to the economic sphere. The FEC is continuing to insist on the amendments that it tabled for changing the federal constitution, to create the possibility of elections at the federal level, or at least the amendments, should be adopted that will make this possible. The amendments on which there is no agreement at present should be left for consideration after the conclusion of the agreement on the future Yugoslavia. We will see to what extent the FEC will succeed in this, and Markovic thinks that the possibility exists of an agreement with the republics," Kiro Gligorov said.

### Macedonian Party Approves Independence Resolution

*LD0704182691 Belgrade TANJUG Domestic Service in Serbo-Croatian 1455 GMT 7 Apr 91*

[Excerpts] Prilep, 7 Apr (TANJUG)—On the second day of the Congress of the Internal Macedonian Revolutionary Organization-Democratic Party for Macedonian National Unity [VMRO-DPMNE] in Prilep, a new statute was approved. Resolutions and organizational systems of this party, which declares itself for democracy and the national unity of Macedonians, were adopted. The key document of the Congress—the resolution—was adopted unanimously.

The VMRO-DPMNE resolution advocates the comprehensive political, economic, and spiritual independence of the Macedonian state. In its pursuit of this independence, VMRO-DPMNE is not tied by any state, public law, Balkan, or other form of agreement from the past, the resolution says. The party opposes any Yugoslav or similar political aspirations. [passage omitted]

The VMRO-DPMNE proposes that the defense, security, and protection of the borders of the Macedonian state be secured by a Macedonian army. Thus the existing Yugoslav People's Army would have to withdraw from the territory of the Macedonian state. The resolution proposes the implementation of this in such a way as to establish it in international acts, under the supervision of representatives of the UN Security Council and Council of Europe.

In the economic sphere, the resolution advocates autonomous, economic, political, and comprehensive privatization and share ownership. Fiscal policy would be based on the autonomous national currency (the stader) and the Macedonian Nationl Bank, and autonomous economic relations would be implemented with foreign countries. [passage omitted]

[Belgrade TANJUG in Serbo-Croatian at 1729 GMT on 7 April adds: "Ljupco Georgijevski was reelected chairman of the party. He was the only candidate for the post. Out of 230 delegates, 222 voted for him. A 60-member central committee was also elected."]

### Montenegro Justifies Monetary System Incursion

*AU0804091491 Belgrade BORBA in Serbo-Croatian 28 Mar 91 p 10*

[S. V. report: "We Borrowed What Was Ours"]

[Text] Titograd— "We could no longer sit and watch the final collapse of Montenegro because of other people's mistakes. Therefore, in view of the federation's liabilities to this republic and the measures of the Federal Executive Council, it was normal for the Assembly to approve the government's proposal, based on the Law on Borrowing by the Republic, and allow it to borrow 2.586 billion dinars from the National Bank of Yugoslavia. This amount is equal to the federation's nominal debt to Montenegro," Government President Milo Djukanovic told journalists today.

According to Djukanovic, Montenegro was supposed to be the first political victim in the dismantling of Yugoslavia. The obvious intention was to bring social problems to the boiling point by impoverishing this republic, and in this way destabilize the democratically elected communist leadership.

### Parties Criticize Talks on Country's Future

*AU0804082491 Belgrade BORBA in Serbo-Croatian 30-31 Mar 91 p 2*

[Text] Pristina— The six political parties of Albanians from Kosovo led by the Democratic Alliance of Kosovo consider the meeting of the six presidents of the Yugoslav republics in Split, without the presence of a "legitimate" president of Kosovo, "an expression of the profound crisis in Yugoslavia that started in Kosovo and that cannot reach a desired epilogue without a denouement of the Kosovo problem."

"It is our impression that this was a meeting of six nations and not six republics, which would presume the obligatory participation of Albanian representative as the Albanians are the third most numerous nation in Yugoslavia," Ibrahim Berisha, member of the Presidium of the Democratic Alliance of Kosovo, stated at a joint news conference yesterday.

The political parties of Albanians from Kosovo welcome "the constructive vision of U.S. President George Bush expressed in his letter to Federal Executive Council President Ante Markovic, particularly the part that emphasizes the U.S. stand that it will not favor only one national-ethnic group in Yugoslavia and that it will oppose any use of force aimed at stopping democratic processes in Yugoslavia." They welcome "the demand by an inter-legislative group sent to the Serbian president to reestablish the constitutional order in Kosovo," as well as the multiparty elections in Albania. They protest "the current process of allocating land to Serbs and Montenegrins in Kosovo," and say that "this could aggravate relations among the Kosovo inhabitants even more."

### Airline Maintenance Workers End 40-Hour Strike

*LD0604170391 Belgrade TANJUG in English 1107 GMT 6 Apr 91*

[Text] Belgrade, April 6 (TANJUG)—Yugoslavia's leading air carrier JAT today resumed most flights following a 40-hour strike of maintenance technicians, the company's operative centre said this morning.

The centre also said that JAT would fully resume its schedule as of tomorrow.

The carrier's domestic and international flights had been suspended until noon yesterday because of the technicians' refusal to service the planes until they should receive their overdue wages for January and February. They also demanded regular payment of wages and the resignation of the company's general director and his deputy because of financial losses.

The two-day suspension of domestic and international flights has cost JAT about two million dollars. Local airports have also suffered financial losses, and between 5,000 and 6,000 passengers remained grounded.